

LEASE OF RAILROAD EQUIPMENT

DATED OCTOBER 9, 1972

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FROM

CFSC LEASING CORP.

Lessor

TO

GEORGE P. BAKER, RICHARD C. BOND,  
JERVIS LANGDON, JR. AND WILLARD WIRTZ,

Trustees of the Property of  
PENN CENTRAL TRANSPORTATION COMPANY, Debtor,  
Lessee

500 50'6" BOX CARS

LEASE OF RAILROAD EQUIPMENT, dated October 9, 1972 between CFSC Leasing Corp., a Connecticut corporation, (hereinafter called the Lessor), and George P. Baker, Richard C. Bond, Jervis Langdon, Jr. and Willard Wirtz, Trustees of the Property of Penn Central Transportation Company, (hereinafter called the Debtor), (such Trustees together with their successors and assigns being hereinafter called the Trustees or collectively called the Lessee).

WHEREAS, on June 21, 1970, the Debtor filed a petition for reorganization under Section 77 of the Bankruptcy Act in the United States District Court for the Eastern District of Pennsylvania and such petition was duly approved as properly filed by order entered on said date by said Court, (the proceedings with respect thereto being hereinafter called the Reorganization Proceedings), and thereafter the Trustees were duly appointed trustees of the property of the Debtor; and

WHEREAS, Pullman Incorporated (Pullman-Standard division), a corporation of the State of Delaware, (hereinafter called the Builder and, together with any assignee of the Builder's rights under the Security Documents, the Vendor), and the Lessor have entered into a Conditional Sale Agreement dated as of October 9, 1972, (herein called the Security Documents), pursuant to which the Builder has agreed to manufacture, sell and deliver to the Lessor the units of railroad equipment described in Schedule A hereto; and

WHEREAS, the Lessee desires to lease all of the Units or such lesser number as are delivered, accepted and settled for under the Security Documents prior to December 31, 1972, (hereinafter called the Units), at the rentals and for the terms and upon the conditions hereinafter provided.

NOW, THEREFORE, in consideration of the premises and of the rentals to be paid and the covenants hereinafter men-

tioned to be kept and performed by the Lessee, the Lessor hereby leases the Units to the Lessee upon the following terms and conditions:

SECTION 1. DELIVERY AND ACCEPTANCE OF UNITS. The Lessor will cause each Unit to be delivered to the Lessee at the point or points within the United States of America at which such Unit is delivered to the Lessor under the Security Documents. Upon such delivery, the Lessee will cause an inspector of the Lessee to inspect the same, and if such Unit is found to be acceptable, to accept delivery of such Unit and execute and deliver to the Lessor a certificate of acceptance and delivery (hereinafter called the Certificate of Delivery), stating that such Unit has been inspected and accepted on behalf of the Lessee on the date of such Certificate of Delivery and is marked in accordance with Section 4 hereof, whereupon such Unit shall be deemed to have been delivered to and accepted by the Lessee and shall be subject thereafter to all the terms and conditions of this Lease. At all times during the continuance of this Lease, title to the Units shall be vested in the Lessor to the exclusion of the Lessee, and delivery of possession of the Units to the Lessee and Lessee's possession of the Units shall constitute a leasehold interest only.

SECTION 2. RENTALS. The Lessee agrees to pay to the Lessor as rental for each Unit subjected to this Lease on or before October 31, 1972 61 consecutive payments in arrears, payable on November 1, February 1, May 1 and August 1 in each year commencing with November 1, 1972. The payment due on November 1, 1972 with respect to each Unit subjected to this Lease shall be in the amount of .02292% of the Purchase Price of such Unit as shown on Schedule A hereto for each day from and including the date of delivery to and acceptance by the Lessee to and including October 31, 1972. Subsequent quarter-annual payments with respect to such Unit shall each be in the amount equal to 2.920494% of the Purchase Price of each such Unit as shown on Schedule A hereto. In the event any Units are to be subjected to this Lease on or after November 1, 1972, Lessor and Lessee, prior to such Units being subjected to this Lease, shall enter into a supplement to this Lease specifying the manner of payment of rent for such Units.

Until otherwise directed by the Vendor, all payments provided for in this Lease shall be made for the account of the Lessor to the Vendor at 200 South Michigan Avenue, Chicago, Illinois 60604, Attention of Treasurer's Office.

This Lease is a net lease and the Lessee shall not be entitled to any abatement of rent, reduction thereof or setoff against rent, including, but not limited to, abatements, reductions or setoffs due or alleged to be due by reason of any past, present or future claims of the Lessee against the Lessor under this Lease or the Builder or the Assignee or otherwise; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Lessor or the Lessee be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Units from whatsoever cause, any liens, encumbrances or rights of others with respect to any of the Units, the prohibition of or other restriction against the Lessee's use of all or any of the Units, the interference with such use by any person or entity, the invalidity or unenforceability or lack of due authorization of this Lease, any insolvency, bankruptcy, reorganization or similar proceeding against the Lessee or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Units except in accordance with the express terms hereof. Each rental or other payment made by the Lessee hereunder shall be final subject to the provisions of Section 16 hereof and the Lessee shall not seek to recover all or any part of such payment from the Lessor for any reason whatsoever.

SECTION 3. TERM OF LEASE. The term of this Lease as to each Unit shall begin on the date of the delivery to and acceptance by the Lessee of such Unit and, subject to the provisions of Sections 6, 9 and 12 hereof, shall terminate on the date on which the final quarter-annual payment of rent in respect thereof is due hereunder.

SECTION 4. IDENTIFICATION MARKS. The Lessee will cause each Unit to be kept numbered with the identifying number set forth in Schedule A hereto, or in the case of any Unit not there listed such identifying number as shall be set forth in any amendment or supplement hereto extending this Lease to cover such Unit, and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the words

OWNED BY CFSC LEASING CORP.  
TITLE TO THIS CAR IS SUBJECT TO A SECURITY  
INTEREST FILED UNDER THE INTERSTATE COMMERCE  
ACT SECTION 20c

or such other appropriate words designated by the Lessor, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Lessor's and Vendor's title to and property in such Unit and the rights of the Lessor under this Lease and of the Vendor under the Security Documents. The Lessee will not place any such Unit in operation or exercise any control or dominion over the same until such name and words shall have been so marked on both sides thereof and will replace promptly any such name and words which may be removed, defaced or destroyed. The Lessee will not change the identifying number of any Unit except in accordance with a statement of new number or numbers to be substituted therefor, which statement previously shall have been filed with the Vendor and the Lessor and filed, recorded and deposited by the Lessee in all public offices where this Lease and the Security Documents shall have been filed, recorded and deposited.

Except as provided in the immediately preceding paragraph, the Lessee will not allow the name of any person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership; provided, however, that the Lessee may allow the Units to be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates on railroad equipment used by them of the same or a similar type for convenience of identification of their rights to use the Units as permitted under this Lease.

SECTION 5. TAXES. The Lessee agrees that, during the continuance of this Lease, in addition to the rentals herein provided, the Lessee will promptly pay all license and registration fees, taxes, assessments and other governmental charges levied or assessed upon or in respect of the Units or any thereof or upon the use or operation thereof or the Lessee's earnings arising therefrom, if and to the extent that any such taxes, assessments or other governmental charges may give rise to any lien upon any of the Units or may become a claim entitled to priority over any of the rights of the Lessor in and to such Units, and as additional rental will promptly pay or reimburse the Lessor for all taxes, assessments and other governmental charges levied or assessed against the Lessor (or any successor in title of the Lessor) solely on account of ownership of the Units or any thereof or on account of the use or operation thereof or on account of the earnings arising therefrom (exclusive, however, of any tax in the nature of a net income tax on the rentals herein provided), including any sales, use or similar taxes payable on account of the sale or delivery of the Units or the leasing of the Units hereunder; but the Lessee shall not be required to pay the same so long as it shall in good faith and by appropriate legal or administrative proceedings contest the validity or amount thereof unless thereby, in the judgment of the Lessor, the rights or interest of the Lessor will be materially endangered, nor shall the Lessee be required to make any tax payment which is deferred by order of a court having jurisdiction provided that such deferment shall not subject the title and interest of the Lessor in and to the Units to any lien or encumbrance.

In the event any tax reports are required to be made on the basis of individual Units, the Lessee will either make such reports in such manner as to show the ownership of such Units by the Lessor or will notify the Lessor of such requirement and will make such report in such manner as shall be satisfactory to the Lessor.

In the event that, during the continuance of this Lease, the Lessee becomes liable for the payment or reimbursement of any imposition, pursuant to this Section 5, such liability shall continue, notwithstanding the expiration of this Lease, until all such impositions are paid or reimbursed by the Lessee.

SECTION 6. PAYMENT FOR CASUALTY OCCURRENCES. In the event that any Unit shall be or become worn out, lost, stolen destroyed, or, in the opinion of the Lessor or the Lessee, irreparably damaged, from any cause whatsoever, or taken or requisitioned by condemnation or otherwise without all of the obligations of the Lessee hereunder having been assumed by a governmental agency satisfactory to the Lessor (such occurrences being hereinafter called Casualty Occurrences) during the term of this Lease, the Lessee shall promptly and fully notify the Lessor and the Vendor with respect thereto. On the rental payment date next succeeding such notice, the Lessee shall pay to the Lessor the then payable rental payment plus a sum equal to the Casualty Value (as hereinafter defined) of such Unit as of the date of such payment in accordance with the schedule set out below. Upon the making of such payment by the Lessee in respect of any Unit, the rental for such Unit shall cease to accrue, the term of this Lease as to such Unit shall terminate and the Lessee shall be entitled to the scrap value of such Unit.

Subject to Section 16, the Casualty Value of each Unit as of any rental payment date shall be that percentage of the purchase price of such Unit as set forth in Schedule A hereto as is set forth in the following schedule opposite the number of such rental payment date.

<u>Payment No.</u>	<u>Percentage</u>	<u>Payment No.</u>	<u>Percentage</u>
1.....	109.6310	16.....	104.3763
2.....	109.6310	17.....	103.2539
3.....	109.6310	18.....	102.0919
4.....	109.6310	19.....	100.8896
5.....	109.6310	20.....	94.9799
6.....	109.6310	21.....	93.6956
7.....	109.6310	22.....	92.3728
8.....	109.6310	23.....	91.0110
9.....	109.6310	24.....	89.6095
10.....	109.6310	25.....	88.1679
11.....	108.8159	26.....	86.6889
12.....	107.9088	27.....	85.1719
13.....	107.2370	28.....	83.7192
14.....	106.4217	29.....	81.1448
15.....	105.4563	30.....	79.5308

<u>Payment No.</u>	<u>Percentage</u>	<u>Payment No.</u>	<u>Percentage</u>
31.....	77.0794	46.....	48.6219
32.....	75.4269	47.....	46.4548
33.....	73.7371	48.....	44.2545
34.....	72.0130	49.....	42.0203
35.....	70.2538	50.....	39.7516
36.....	68.4590	51.....	37.4477
37.....	66.6280	52.....	35.1078
38.....	64.7635	53.....	32.7311
39.....	62.8649	54.....	30.3170
40.....	60.9317	55.....	27.8646
41.....	58.9631	56.....	25.3731
42.....	56.9620	57.....	22.8417
43.....	54.9276	58.....	20.2695
44.....	52.8593	59.....	17.6557
45.....	50.7565	60. and thereafter.....	15.0000

The Lessee hereby assigns any and all rights to receive payment in settlement for destruction of any Unit by another carrier (hereinafter called the Settlement) to the Lessor. The Lessor hereby directs the Lessee to collect and receive such Settlement in trust for and for the benefit of the Lessor, and, to the extent such settlement does not exceed the payments due to the Lessor in respect of a Casualty Occurrence of such Unit or Units for which the Settlement is made, to pay such Settlement over to the Lessor unless the Lessor shall have previously been paid the Casualty Value of the Unit. The Lessor agrees to apply such Settlement, to the extent received towards the satisfaction of the Lessee's obligation to make payment to the Lessor in respect of a Casualty Occurrence of the Unit or Units for which Settlement is made, and the Lessee shall be entitled to any excess of such Settlement over such obligation.

The provisions of the foregoing paragraph of this Section 6 shall be subject to the rights of any assignee of the Builder's rights under the Security Documents.

Except as hereinabove in this Section 6 provided, the Lessee shall not be released from its obligations hereunder in the event of, and shall bear the risk of, any Casualty Occurrence to any Unit after delivery to and acceptance thereof by the Lessee hereunder.

SECTION 7. ANNUAL REPORTS. On or before March 31 in each year, commencing with 1973, the Lessee will furnish to the Lessor and the Vendor an accurate statement (a) setting forth as at the preceding December 31 the amount, description and numbers of all Units then leased hereunder and covered by the Security Documents, the amount, description and numbers of all Units that have suffered a Casualty Occurrence during the preceding calendar year (or since the date of this Lease in the case of the first such statement) and such other information regarding the condition and state of repair of the Units as the Lessor or the Vendor may reasonably request and (b) stating that, in the case of all Units repainted or repaired during the period covered by such statement, the numbers and the markings required by Section 4 hereof and Article 10 of the Security Documents have been preserved or replaced. The Lessor shall have the right (at its risk) by its agents, to inspect the Units and the Lessee's records with respect thereto at such reasonable times as the Lessor may request during the continuance of this Lease.

SECTION 8. REPRESENTATIONS AND WARRANTIES; COMPLIANCE WITH LAWS AND RULES; MAINTENANCE; INDEMNIFICATION AND INSURANCE.

The Lessor makes no warranty or representation, either expressed or implied, as to the design or condition of, or as to the quality of the material, equipment or workmanship in, the Units delivered to the Lessee hereunder, and the Lessor makes no warranty of merchantability or fitness of the Units for any particular purpose or as to title to the Units or any component thereof, it being agreed that all such risks, as between the Lessor and the Lessee, are to be borne by the Lessee, except that Lessor represents and warrants (i) that at the time any Unit or Units become subject to this Lease, the Lessor will be the true and lawful owner thereof and that each Unit will be free and clear of all claims, liens, security interests and other encumbrances excepting only the rights of Lessee hereunder and of the holders of any security interest under the Security Documents, and (ii) that, notwithstanding the security interest in the Unit or Units created by the Security Documents, so long as the Lessee shall not be in default hereunder, Lessee shall be entitled to possession and use of the Units. The Lessee's delivery of a Certificate of Delivery shall be conclusive evidence as between the Lessee and the Lessor that all Units described therein are in all the foregoing respects satisfactory to the Lessee, and the Lessee will not assert any claim of any nature whatsoever against the Lessor based on any of the foregoing matters.

The Lessee agrees, warrants and represents that:

- (a) All of the Equipment is of functions, designs, capacities and other specifications approved

by the Lessee, and the Lessor has no responsibility in connection therewith, provided that this Subsection 8(a) shall not affect the rights of the Lessee against the Builder.

- (b) The Trustees have been duly appointed as trustees of the property of the Debtor by an order of the Court; the appointment of said Trustees has been duly ratified by an order of the Interstate Commerce Commission; and said Trustees are duly vested with the title to the properties of the Debtor and have the power and authority to carry on its business.
- (c) The execution and delivery of this Lease by the Lessee and its assumption and undertaking of the obligations, duties and liabilities hereof have been duly authorized by an order of the Court; and this Lease is legal, valid and binding in accordance with its terms.
- (d) The rights of the Lessor as herein set forth and the title of the Lessor to the Units are free and clear of the lien, charge or security interest created by any mortgage, security agreement or other instrument binding upon the Debtor or the Lessee.
- (e) Except for the authorization by the Court of the execution and delivery of this Lease by the Lessee, no governmental authorizations, approvals or exemptions are required for the execution and delivery of this Lease or for the validity and enforceability hereof or for the leasing of the Units hereunder, for the rentals and on the other terms and conditions herein provided; or, if any such authorizations are required, they have been obtained and, if any such shall hereafter be required, they will be promptly obtained.
- (f) No litigation or administrative proceedings are pending or, to the knowledge of the Lessee, are threatened against Lessee, the adverse determination of which would affect the validity of this Lease or the rights of the Lessor hereunder.

- (g) Obligations to make rental and other payments under this Lease will constitute expenses of administration of the Lessee, and will rank equally and ratably in priority of payment with all other equipment obligations heretofore or hereafter incurred or assumed by the Lessee.
  
- (h) Upon occurrence of an Event of Default under this Lease, any claim for damages will constitute an expense of administration.

The Lessee agrees, for the benefit of the Lessor and the Vendor, to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each Unit) with all laws of the jurisdictions in which its operations involving the Units may extend, with the interchange rules of the Association of American Railroads and with all lawful rules of the Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Units, to the extent that such laws and rules affect the title, operation or use of the Units, and in the event that such laws or rules require any alteration of any Unit, or in the event that any equipment or appliance on any such Unit shall be required to be changed or replaced, or in the event that any additional or other equipment or appliance is required to be installed on any such Unit in order to comply with such laws or rules, the Lessee will make such alterations, changes, replacements and additions at its own expense; provided, however, that the Lessee may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Lessor or the Vendor, adversely affect the property or rights of the Lessor or the Vendor under this Lease or under the Security Documents.

The Lessee agrees that, at its own cost and expense, it will maintain and keep each Unit in good order and repair, ordinary wear and tear excepted.

Any and all additions to any Unit (except special equipment installed in any Unit by the Lessee with the consent of the Lessor provided that such equipment is removed by the

Lessee before the Unit is returned to the Lessor and all damage resulting from such installation and removal is repaired by the Lessee and further provided that removal of such equipment does not affect the Unit's serviceability or use in unrestricted service) and any and all parts installed on and additions and replacements made to any Unit shall constitute accessions to such Unit and, at the cost and expense of the Lessee, full ownership thereof free from any lien, charge, security interest or encumbrance (except for those created by the Security Documents) shall immediately be vested in the Lessor and the Vendor as their respective interests appear in the Unit itself.

The Lessee agrees to indemnify, protect and hold harmless the Lessor and the Vendor from and against all losses, damages, injuries, liabilities, claims and demands whatsoever arising out of or as a result of the ownership of any Unit, regardless of the cause thereof, and expenses in connection therewith, including, but not limited to, counsel fees and expenses, patent liabilities, penalties and interest, other than in respect of taxes which are excluded from the indemnification contained in Section 5 hereof or any other cost or expense which is specifically excluded as a liability of the Lessee under the provisions of this Lease, the acquisition, use, operation, condition, delivery, rejection, storage or return of any Unit or any accident in connection with the operation, use, condition, possession, storage or return of any Unit resulting in damage to property or injury or death to any person, except as otherwise provided in Section 13 of this Lease. The indemnities arising under this paragraph prior to the termination of this Lease shall continue in full force and effect notwithstanding the full payment of all obligations under this Lease or the termination of this Lease.

The Lessee agrees to prepare and deliver to the Lessor within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Lessor) any and all reports (other than tax reports or returns) to be filed by the Lessor with any federal, state or other regulatory authority by reason of the ownership by the Lessor or the Vendor of the Units or the leasing thereof to the Lessee.

The Lessee, at its own cost and expense, shall insure each Unit from the time of delivery and acceptance thereof and at all times thereafter until the Lessee's obligations under

this Lease with respect to such Unit has been discharged, against all risks, loss, damage or destruction thereof by fire, lightning, wreck, derailment, collision, flood, tornado, cyclone, sabotage, riot or civil commotion, such insurance, in the case of each Unit, to be in an amount satisfactory to the Lessor, except that such coverage may be limited so that any loss (1) amounting to less than \$2,500 per Unit or (2) amounting to more than \$100,000 per occurrence shall not be covered. All such insurance shall be taken for the benefit of the Lessor and the Lessee, as their respective interests may appear, in an insurance company or companies satisfactory to the Lessor. Such policy or policies shall insure the respective interests of the Lessor and the Lessee in the Units and shall provide that the proceeds of such insurance shall be payable to the Lessor. All insurance proceeds received by the Lessor with respect to any Unit shall

- (i) be paid to the Lessee, in the case of repairable damage to such Unit or Units, upon receipt by the Lessor from the Lessee of proof in duplicate satisfactory to the Lessor of the proper repair of such damage; or
- (ii) be applied by the Lessor, in the case of the loss, destruction or damage beyond repair of such Unit or Units, towards the satisfaction of the Lessee's obligation to make the payment required by Section 6 hereof unless the Lessor shall otherwise receive payment of the Casualty Value of the Unit in which event the Lessee shall be entitled to receive from the Lessor the insurance proceeds with respect to such Unit.

SECTION 9. DEFAULT. If, during the continuance of this Lease, one or more of the following events (each such event being hereinafter sometimes called an Event of Default) shall occur:

- A. default shall be made in payment of any part of the rental provided in Section 2 hereof and such default shall continue for 10 days;

- B. the Lessee shall make or permit any unauthorized assignment or transfer of this Lease or of possession of the Units, or any thereof;
- C. default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein and such default shall continue for 30 days after written notice from the Lessor to the Lessee specifying the default and demanding that the same be remedied;
- D. a decree or order is entered in the Reorganization Proceedings preventing or disabling the Trustees from performing any of their obligations under this Lease; or
- E. the Reorganization Proceedings are dismissed or terminated or the property of the Debtor is surrendered by the Trustees or their successor or successors unless, (i) as a condition of such dismissal or termination or such surrender, all of the obligations then existing or to accrue of the Trustees under this Lease shall be assumed as a general obligation by the Debtor's successor pursuant to a plan of reorganization approved in the Reorganization Proceedings or by any other corporation acquiring a substantial part of the lines of railroad of the Debtor or as an obligation, having the same status and priorities as those of the Trustees under this Lease, by any receiver or receivers in equity, or trustee or trustees, that shall succeed the Trustees, or (ii) payment in full in cash (or provision therefor satisfactory to the Lessor) is made to the Lessor of all indebtedness, damages, claims, or any other moneys payable to or in favor of the Lessee pursuant to this Lease together with interest thereon as herein provided to the date of payment thereof;

- F. any material representation made by the Lessee herein or hereunder or in any certificate or other instruments delivered under or pursuant to any provision hereof shall prove to have been false or incorrect in any material respect on the date as of which made;
- G. if the obligations of the Trustees hereunder are assumed by another corporation or by the Debtor's successor pursuant to a plan of reorganization for the Debtor approved in the Reorganization Proceedings (such corporation or successor being hereinafter called the Successor) and either
- (i) A petition for reorganization under Section 77 of the Bankruptcy Act as now constituted or as said Section 77 may be hereafter amended shall be filed by or against the Successor, and, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the assumed obligations of the Successor under this Lease shall not have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees appointed in such proceedings in such manner that such obligations shall have the same status as obligations incurred by such a trustee or trustees within 30 days after such appointment, if any, or 60 days after such petition shall have been filed, whichever shall be earlier; or
  - (ii) Any proceedings shall be commenced by or against the Successor for any relief which includes, or might result in, modification of the assumed obligations of the Successor under this Lease under any bankruptcy or insolvency law, or law relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of the indebtedness payable hereunder), and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise

rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Successor under this Lease shall not have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers, appointed for the Debtor's successor or for the property of the Debtor's successor in connection with any such proceedings in such manner that such obligations shall have the same status as obligations incurred by such a trustee or trustees or receiver or receivers, within 30 days after such appointment, if any, or 60 days after such proceedings shall have been commenced, whichever shall be earlier;

then, in any such case, the Lessor, at its option, may

- (a) proceed by appropriate court action or actions either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof or
- (b) by notice in writing to the Lessee terminate this Lease, whereupon all rights of the Lessee to the use of the Units shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as hereinafter provided; and thereupon the Lessor may by its agents enter upon the premises of the Lessee or other premises where any of the Units may be and take possession of all or any of such Units and thenceforth hold, possess and enjoy the same free from any right of the Lessee, or its successors or assigns, to use the Units for any purposes whatever; but the Lessor shall, nevertheless, have a right to recover

from the Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee (i) as damages for loss of the bargain and not as a penalty, a sum, with respect to each Unit, which represents the excess of (x) the present value, at the time of such termination, of the entire unpaid balance of all rental for such Unit which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease as to such Unit over (y) the then present worth of the fair rental value of the Unit during such period, such present worth to be computed in each case on a basis of an 8 1/4% per annum discount, compounded quarter-annually from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, and (ii) any damages and expenses, including reasonable attorneys' fees, in addition thereto which the Lessor shall have sustained by reason of the breach of any covenant or covenants of this Lease other than for the payment of rental.

The remedies in this Lease provided in favor of the Lessor shall not be deemed exclusive, but shall be cumulative and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any

mandatory requirements of law, now or hereafter in effect, which might limit or modify the remedies herein provided, to the extent that such waiver is permitted by law. The Lessee hereby waives any and all existing or future claims to any offset against the rental payments due hereunder, and agrees to make rental payments regardless of any offset or claim which may be asserted by the Lessee or on its behalf.

The failure of the Lessor to exercise the rights granted it hereunder upon the occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

SECTION 10. RETURN OF UNITS UPON DEFAULT. If this Lease shall terminate pursuant to Section 9 hereof, the Lessee shall forthwith deliver possession of the Units to the Lessor. For the purpose of delivering possession of any Unit or Units to the Lessor as above required, the Lessee shall at its own cost, expense and risk:

- (a) forthwith place such Units upon such storage tracks of the Lessee as the Lessor reasonably may designate;
- (b) permit the Lessor to store such Units on such tracks at the risk of the Lessee until such Units have been sold, leased or otherwise disposed of by the Lessor; and
- (c) transport the same to any place on the lines of railroad operated by the Lessee or to any connecting carrier for shipment, all as directed by the Lessor.

The assembling, delivery, storage and transporting of the Units as hereinbefore provided shall be at the expense and risk of the Lessee and are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the

premises the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Units. During any storage period, the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such Unit, to inspect the same.

Without in any way limiting the obligation of the Lessee under the foregoing provisions of this Section 10, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Unit to the Lessor to demand and take possession of such Unit in the name and on behalf of the Lessee from whomsoever shall be in possession of such Unit at the time.

The term "Lessee" as used in this Section 10 shall include the Debtor as well as the Lessee.

SECTION 11. ASSIGNMENT; POSSESSION AND USE. This Lease shall be assignable in whole or in part by the Lessor without the consent of the Lessee, but the Lessee shall be under no obligation to any assignee of the Lessor except upon written notice of such assignment from the Lessor. All the rights of the Lessor hereunder (including, but not limited to, the rights under Sections 5, 6, 9 and 16 and the rights to receive the rentals payable under this Lease) shall inure to the benefit of the Lessor's assigns. Whenever the term "Lessor" is used in this Lease, it shall apply and refer to each such assignee of the Lessor, except that in the case of the assignment of this Lease as security under the Security Documents, the term "Lessor" shall include the party named as Lessor hereunder and, except for the provisions of Section 16 hereof, the Vendor.

So long as the Lessee shall not be in default under this Lease, the Lessee shall be entitled to the possession and use of the Units in accordance with the terms of this Lease. Notwithstanding anything to the contrary contained in the Security Documents, or otherwise, so long as the Lessee is not in default under this Lease, neither the Vendor nor anyone claiming by, through or under the Lessor may exercise any remedy provision under the Security Documents or otherwise which would interfere with the quiet possession of the Lessee to the Units under this Lease. But, without the prior written consent of the Lessor, the Lessee shall not assign or transfer its leasehold interest under this Lease in the Units or any of them except as herein-

after provided in this Section 11. The Lessor agrees that it will pay in full all sums payable by the Lessor under the Security Documents and that it will comply with all other covenants, agreements, terms and provisions of the Security Documents on its part to be kept and performed the nonpayment of or noncompliance with which could deprive the Lessee of the possession and use of the Units or any of them. Except as otherwise specifically provided in this Lease, the Lessee, at its own expense, will promptly pay or discharge any and all sums claimed by any party which, if unpaid, might become a lien, charge, security interest or other encumbrance (other than the Security Documents, any lien, charge, security interest, or other encumbrance placed upon the Units by the Lessor or any other encumbrance resulting from claims against the Lessor not related to the ownership of the Units, or to the net income to the Lessor therefrom) upon or with respect to any Unit, including any accession thereto, or the interest of the Lessor or the Lessee therein, and will promptly discharge any such lien, claim, security interest or encumbrance which arises. The Lessee shall not, without the prior written consent of the Lessor, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Units, except to the extent permitted by the provisions of the immediately succeeding paragraph and the third and fifth succeeding paragraphs of this Section 11.

So long as the Lessee shall not be in default under this Lease, the Lessee shall be entitled to the possession of the Units and to the use of the Units by it or the Debtor upon lines of railroad owned or operated by it or the Debtor or upon lines of railroad over which the Lessee or the Debtor has trackage or other operating rights or over which railroad equipment of the Lessee is regularly operated pursuant to contract, and also to permit the use of the Units upon connecting and other carriers in the usual interchange of traffic, but only upon and subject to all the terms and conditions of this Lease. The Lessee may receive and retain compensation for such use from other railroads so using any of the Units.

All per diem payments, sublease rentals and other charges payable for the use of the Units while being used by others shall be paid to the Lessor's agent, care of the Lessor, who prior to an Event of Default under this Lease and until a successor is designated by the Lessor may be an officer of the

Lessee. Prior to the occurrence of an Event of Default under this Lease, the amounts so paid shall be remitted by such agent to the Lessee; provided, however, that if an Event of Default shall occur, no such payments, rentals or other charges shall be paid to the Lessee from and after the occurrence of said Event of Default and Lessee hereby releases any claim thereto, and all such payments, rentals and other charges shall be remitted to the Lessor and may be applied by the Lessor against any liability of the Lessee to the Lessor hereunder for any expense incurred by the Lessor because of such Event of Default. The Lessee shall cause appropriate instructions as to such payments to be published in each issue of the Official Railway Equipment Register.

Nothing in this Section 11 shall be deemed to restrict the rights of the Lessee to assign or transfer its leasehold interest under this Lease in the Units or possession of the Units to any railroad or other corporation (which shall have duly assumed the obligations of the Lessee hereunder) provided that no such assignment without the consent of the Lessor shall release the Lessee from any of its obligations under this Lease.

Notwithstanding anything to the contrary contained in this Section 11, the Lessee agrees that none of the Units will be used in any manner or place so as to prohibit such Unit from constituting "Section 38 Property" within the meaning of Section 48 (a) of the Internal Revenue Code of 1954, as amended.

In case of any sale or conveyance of all or substantially all of the lines of railroad comprised in the trust estate, the purchaser, or transferee of the purchaser, shall assume and agree to perform each and all of the obligations of the Trustees hereunder, unless payment in full in cash (or provision therefor satisfactory to the Lessor) is made to the Lessor of all indebtedness, damages, claims, or any other moneys payable to or in favor of the Lessee pursuant to this Lease together with interest thereon as herein provided to the date of payment thereof.

Whenever used in this Lease, the term "Trustees" or "Lessee" shall be deemed to mean any corporation (including

the Debtor), receiver or receivers in equity, trustee or trustees, purchaser or transferee of any purchaser which shall have assumed and agreed to perform each and all of the obligations and covenants of the Trustees hereunder.

SECTION 12. PURCHASE AND RENEWAL OPTIONS. Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, the Lessee may by written notice delivered to the Lessor not less than six months prior to the end of the term of this Lease or any extended term hereof, as the case may be, elect (a) to extend the term of this Lease in respect of all, but not fewer than all, of such Units then covered by this Lease, for additional five-year periods commencing on the scheduled expiration of the original term or extended term of this Lease, as the case may be, provided that no such extended term shall extend beyond July 1, 1997, at a rental in an amount equal to the "Fair Market Rental" payable in 20 quarter-annual payments, each such quarter-annual payment to be made on January 1, April 1, July 1 and October 1 in each year of the applicable extended term or (b) to purchase all, but not fewer than all, the Units covered by this Lease at the end of such term or extended term of this Lease for a purchase price equal to the "Fair Market Value" of such Units as of the end of such term.

Fair Market Value or Fair Market Rental shall be determined on the basis of, and shall be equal in amount to, the value which would obtain in an arm's-length transaction between an informed and willing buyer-user or lessee, as the case may be (other than (i) a lessee currently in possession and (ii) a used equipment dealer), and an informed and willing seller or lessor, as the case may be, under no compulsion to sell or lease and, in such determination, costs of removal from the location of current use shall not be a deduction from such value. If on or before four months prior to the expiration of the term of this Lease, the Lessor and the Lessee are unable to agree upon a determination of the Fair Market Value or Fair Market Rental, as the case may be, of the Units, such value shall be determined in accordance with the foregoing definition by a qualified independent Appraiser. The term "Appraiser" shall mean such independent appraiser as the Lessor and the Lessee may mutually agree upon, or failing such agreement, a panel of three independent appraisers, one of whom shall be selected by the Lessor, the second by the

Lessee and the third designated by the first two so selected. The Appraiser shall be instructed to make such determination within a period of 30 days following appointment, and shall promptly communicate such determination in writing to the Lessor and the Lessee. The determination so made shall be conclusively binding upon both Lessor and Lessee. The expenses and fee of the Appraiser shall be borne equally by the Lessor and the Lessee.

In the event the Lessee elects to purchase the Units, upon payment of the purchase price, the Lessor shall upon request of the Lessee execute and deliver to the Lessee, or to the Lessee's assignee or nominee, a bill of sale (without representations or warranties except that such Units are free and clear of all claims, liens, security interests and other encumbrances by or in favor of any person claiming by, through or under the Lessor) for such Units, and such other documents as may be required to release such Units from the terms of this Lease and to transfer title thereto to the Lessee or such assignee or nominee, in such form as may reasonably be requested by the Lessee, all at the Lessee's expense.

#### SECTION 13. RETURN OF UNITS UPON EXPIRATION OF TERM.

As soon as practicable on or after the expiration of the term of this Lease with respect to any Unit, the Lessee will (unless the Unit is sold to the Lessee), at its own cost and expense, at the request of the Lessor, deliver possession of such Unit to the Lessor upon such storage tracks of the Lessee as the Lessee may designate, or, in the absence of such designation, as the Lessor may select, and permit the Lessor to store such Unit on such tracks for a period not exceeding three months and transport the same, at any time within such three-month period, to any reasonable place on the lines of railroad operated by the Lessee, or to any connecting carrier for shipment, all as directed by the Lessor; the movement and storage of such Unit to be at the expense and risk of the Lessee. During any such storage period, the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of such Unit, to inspect the same; provided, however, that the Lessee shall not be liable, except in the case of negligence of the Lessee or of its employees or agents, for any injury to, or the death of, any person exercising, either on behalf of the Lessor or any prospective purchaser, the rights of

inspection granted under this sentence. The assembling, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Units. If Lessor shall abandon any Unit which has suffered a Casualty Occurrence or which after the expiration of this Lease the Lessor shall have deemed to have suffered a Casualty Occurrence, it may deliver written notice to such effect to the Lessee and the Lessee shall thereupon assume and hold the Lessor harmless from all liability arising in respect of any responsibility of ownership thereof, from and after receipt of such notice. The Lessor shall execute and deliver to the Lessee a bill of sale or bills of sale transferring to the Lessee, or upon its order, the Lessor's title to and property in any Unit abandoned by it pursuant to the immediately preceding sentence. The Lessee shall have no liability to the Lessor in respect to any Unit abandoned by the Lessor after termination of the Lease; provided, however, that the foregoing clause shall not in any way relieve the Lessee of its obligations pursuant to Section 6 hereof to make payments equal to the Casualty Value of any Unit experiencing a Casualty Occurrence while this Lease is in effect.

The use of the term "Lessee" as used in this Section 13 may include the Debtor as well as the Lessee.

SECTION 14. OPINION OF COUNSEL. The Trustees shall deliver to the Lessor immediately after execution of this Lease and on each Closing Date (as defined in the Security Documents) a written opinions of Counsel for Trustees or an attorney designated by him addressed to the Lessor and the Vendor, in scope and substance satisfactory to the Lessor and the Vendor, in such number of counterparts as Lessor and the Vendor may request, stating that (i) the Trustees have been duly appointed trustees of the property of the Debtor in proceedings for the reorganization of the Debtor under Section 77 of the Bankruptcy Act by the United States District Court for the Eastern District of Pennsylvania, such appointment has been duly ratified by order of the Interstate Commerce Commission, such appointment has not been rescinded, and the Trustees are properly empowered to operate the lines and manage the property in the Debtor's estate;

(ii) the execution and delivery of this Lease has been duly authorized by the United States District Court for the Eastern District of Pennsylvania upon due notice and the orders of said Court authorizing such execution and delivery have not been revised, modified or amended and no motion for rehearing, appeal or other proceeding is pending which might result in any revision, modification or amendment of such order; (iii) the obligations of the Trustees under this Lease have the status and priority specified in Sections 8 (g), 8 (h) and 22 hereof; (iv) this Lease constitutes a valid, legal and binding agreement of the Trustees; (v) this Lease and the assignment hereof to the Vendor have been duly filed and recorded with the Interstate Commerce Commission pursuant to Section 20c of the Interstate Commerce Act and duly deposited in the office of the Registrar General of Canada (and due notice thereof given in accordance with Section 86 of the Railway Act of Canada) and such filing, recordation, deposit and notice will protect the Lessor's interest in and to the Units and no filing, recording or deposit (or giving of notice) with any other Federal, state, local or provincial government is necessary in order to protect the interests of the Lessor in and to the Units; (vi) no approval is required from any public regulatory body with respect to the entering into or performance of this Lease by the Lessee; (vii) the rights of the Lessor as hereunder set forth and the title of the Lessor to the Units are free and clear of the lien, charge or security interest created by any mortgage, security agreement or other instrument binding upon Debtor or the Lessee; and (viii) no litigation or administrative proceedings are pending or, to the knowledge of the Lessee are threatened against the Lessee, the adverse determination of which would affect the validity of this Lease or the rights of the Lessor hereunder.

The Lessor shall deliver to the Lessee on each Closing Date a written opinion in scope and substance satisfactory to the Lessee of an attorney or attorneys for the Lessor, designated by the Lessor and satisfactory to the Lessee, stating that at the time each Unit subject to this Lease became subject thereto (a) such Unit is free and clear of all claims, liens, security interests and other encumbrances excepting only the rights of the Lessee hereunder and of the holders of any security interest under the Security Documents, and (b) notwithstanding the security interest in the Unit or Units created by the Security Documents so long as the Lessee is not in default hereunder, the Lessee shall be entitled to the possession and use of the Units.

SECTION 15. RECORDING; EXPENSES. The Lessee will cause this Lease, the Security Documents and any assignment hereof or thereof to be filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act and this Lease, the Security

Documents and any assignment thereof shall be deposited with the Registrar General of Canada in Accordance with Section 86 of the Railway Act of Canada (and due notice thereof shall be given in accordance with said Section 86). The Lessee will undertake the filing, registering, deposit, and recording required of the Lessor under the Security Documents and will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, record (and will refile, re-register, deposit and redeposit or re-record whenever required) any and all further instruments required by law or reasonably requested by the Lessor or the Vendor for the purpose of proper protection, to their satisfaction, of the Vendor's and the Lessor's respective interests in the Units or for the purpose of carrying out the intention of this Lease, the Security Documents or the assignment thereof to the Vendor; and the Lessee will promptly furnish to the Vendor and the Lessor evidences of all such filing, registering, depositing or recording, and an opinion or opinions of counsel for the Lessee with respect thereto satisfactory to the Vendor and the Lessor. This Lease and the Security Documents shall be filed and recorded with the Interstate Commerce Commission and shall be deposited with the office of the Registrar General of Canada prior to the delivery and acceptance hereunder of any Unit.

The Lessor and the Lessee will each bear the respective fees and disbursements, if any, of their respective counsel.

SECTION 16. FEDERAL INCOME TAXES. The Lessee further agrees to indemnify the Lessor against the loss of any portion of the investment tax credit applicable to the purchase of any Unit covered by this Lease in the event that the loss of such credit is the result of acts or omissions of the Lessee (including any use of such Unit which precludes such Unit from being "section 38 property" as defined in Section 48 (a) of the Internal Revenue Code), provided the existence of any such loss shall be confirmed either by tax counsel mutually acceptable to the Lessee and the Lessor or by a decision of any Federal court (including the United States Tax Court). The Lessee shall reimburse the Lessor for such lost investment tax credit in an amount which after reduction for the Lessor's Federal income tax (or that of its parent in the event consolidated Federal income tax returns are filed) thereon, shall equal, in the opinion of such counsel, the amount of such lost investment tax credit, and, in addition, reimburse the Lessor for interest and penalties on any Federal income tax deficiency

which arises from such lost investment tax credit, but only to the extent that any such interest and penalties are attributable to the period prior to the Lessee's payment to the Lessor of the reimbursement for such lost investment tax credit. Such acts or omissions of the Lessee shall be deemed to include any sale or other disposition of, or omission to use, a Unit by the Lessor following the Lessor's repossession of such Unit pursuant to Section 9 hereof. No indemnification shall be made by the Lessee pursuant to this Section 16 for the loss of any investment tax credit applicable to any Unit for which the Lessee shall have paid the Casualty Value pursuant to Section 6 hereof; provided, however, that if the Casualty Occurrence in respect of such Unit shall have taken place after the act or omission of the Lessee causing the loss of any investment tax credit, the Lessee shall indemnify the Lessor for an amount equal, in the opinion of such counsel, to (i) interest and penalties payable in respect of such investment tax credit and (ii) any portion of such investment tax credit not indemnified by the payment of the Casualty Value of such Unit. Where Lessor has already received indemnity for loss of investment tax credit from Lessee, as prescribed in preceding provision in Section 16, the Casualty Value in respect to such Unit shall be recomputed so as to exclude from the amount thereof any recapture of the investment tax credit taken into account, in the opinion of the aforesaid tax counsel, in the computation of such Casualty Value.

The Lessee's agreement to pay any sums which may become payable pursuant to this Section 16 shall survive the expiration or other termination of this Lease.

SECTION 17. INTEREST ON OVERDUE RENTALS. Anything to the contrary herein contained notwithstanding, any nonpayment of rentals and other obligations due hereunder shall result in the obligation on the part of the Lessee promptly to pay, to the extent legally enforceable, an amount equal to 11% per annum of the overdue rentals for the period of time during which they are overdue or such lesser amount as may be legally enforceable.

SECTION 18. NOTICES. Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when deposited in the United States certified mails, first-class postage prepaid, addressed as follows:

If to the Lessor:

CFSC Leasing Corp.  
945 Main Street  
Bridgeport, Connecticut 06602

If to the Lessee:

Trustees of the Property of  
Penn Central Transportation Company, Debtor  
Room 1334, Six Penn Center Plaza  
Philadelphia, Pennsylvania 19104  
Attention: Treasurer

or to such other addresses as may hereafter be furnished to the other party in writing.

SECTION 19. SEVERABILITY; EFFECT AND MODIFICATION OF LEASE. Any provision of this Lease which is prohibited or unenforceable in any jurisdiction, shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

No variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized officers of the Lessor and the Lessee.

SECTION 20. EXECUTION. This Lease may be executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument. Although this Lease is dated August 15, 1972, for convenience, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

SECTION 21. LAW GOVERNING. The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of Illinois, provided, however, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act and Section 86 of the Railway Act of Canada.

SECTION 22. OTHER OBLIGATIONS. The Lessee agrees that, during the term of this Lease, the Lessee will not assume or enter into any other leases of equipment, equipment trust

agreements, conditional sale agreements or other liabilities or obligations in connection with the leasing or financing of the acquisition of rolling stock equipment, (i) if such liabilities or obligations would be entitled, directly or indirectly to any priority in right of payment over the obligations of the Lessee under this Lease, or (ii) if such liabilities or obligations would be secured, directly or indirectly, by any mortgage, lien or security interest in property of the Debtor or the Lessee (except the rolling stock equipment involved in the particular transaction), unless the obligations of the Lessee under this Lease are given the same priority and are equally and ratably secured thereby.

IN WITNESS WHEREOF, the Lessor has caused this Lease to be executed in its corporate name by one of its officers thereunto duly authorized and its corporate seal to be hereunto affixed and duly attested, and the Trustees have caused this Lease to be executed on their behalf as the Lessee in this Lease.

ATTEST:

*Henry Johnson*  
Assistant Secretary

CFSC LEASING CORP

By *W. G. Shiel*  
*Pres.*

GEORGE P. BAKER, RICHARD C. BOND,  
JERVIS LANGDON, JR. AND WILLARD WIRTZ,  
Trustees of the Property of  
Penn Central Transportation Company,  
Debtor

WITNESS:

*H. S. Darlow*  
Assistant Secretary

By *W. P. Devine*  
Vice President

STATE OF *New York*,  
COUNTY OF *Westchester* SS:

On this *10th* day of *October*, 1972, before me personally appeared *W. A. Thiel*, to me personally known who, being by me duly sworn, said that he is a *President* of CFSC LEASING CORP., that the seal affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on this day on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

*Anthony Catanesi*  
Notary Public CATANESE  
Notary Public, State of New York  
No. 60-0601625  
My commission for *Westchester County*  
Commission Expires *March 30, 1973*

COMMONWEALTH OF PENNSYLVANIA )  
CITY AND COUNTY OF PHILADELPHIA ) SS:

On this *9th* day of *October*, 1972, before me personally appeared *W. R. Divine* to me personally known, who, being by me duly sworn said that he is a Vice President of the Trustees of the Property of Penn Central Transportation Company, Debtor, that the foregoing Lease was signed on this day by him on behalf of and by authority of the Trustees of the Property of Penn Central Transportation Company, Debtor, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Trustees.

*Charles E. Casel Jr.*  
Notary Public, Philadelphia, Philadelphia Co.  
My Commission Expires July 14, 1975

SCHEDULE A

<u>Type</u>	<u>Builder's Specification</u>	<u>Lessee's Car Numbers</u>	<u>Quantity</u>	<u>Unit Purchase Price</u>	<u>Total Purchase Price</u>
50'6" Box Cars- Outside Posts with 70-ton capacity trucks, 10'-0" door openings, 1 3/4" nailable steel floors and rigid underframe	General Specifica- tion No. 3008, dated January 19, 1972, last revised May 23, 1972	168000 through 168499, both in- clusive	500	\$17,307	\$8,653,500

NOTICE OF ASSIGNMENT

This is to advise that, effective April 1, 1976,  
12:01 a.m., the Financing Agreement described below has  
been assigned to the Consolidated Rail Corporation by the  
Trustees of: Penn Central Transportation Company  
Six Penn Center Plaza  
Philadelphia, PA 19104

The Financing Agreement is a Lease Agreement

, dated 10/9/72

bearing the ICC recordation number 6769

The payee's name and address is:

The City National Bank of Connecticut  
Bridgeport, Connecticut 06602

This Notice of Assignment has been placed in the  
file of the ICC recordation number listed above and the entire  
assignment is contained in the ICC recordation file stamped  
in the margin of this assignment. A copy hereof will be  
promptly mailed to the payee listed above for distribution  
to the beneficial holder(s) of the Financing Agreement described  
in this Notice of Assignment.

Consolidated Rail Corporation