

PEPPER, HAMILTON & SCHEETZ

ATTORNEYS AT LAW

PHILADELPHIA, PENNSYLVANIA
HARRISBURG, PENNSYLVANIA
DETROIT, MICHIGAN

1300 NINETEENTH STREET, N.W.
WASHINGTON, D.C. 20036

202-828-1200

TELEX CABLE ADDRESS: 440653 (ITT)
RECORDATION NO. 16228

FILED 1425

LOS ANGELES, CALIFORNIA
BERWYN, PENNSYLVANIA
WILMINGTON, DELAWARE
LONDON, ENGLAND

WRITER'S DIRECT NUMBER
(202) 828-1407

FAX: (202) 828-1665

MAR 6 1989 -2:40 PM

March 6, 1989

INTERSTATE COMMERCE COMMISSION

9-065A023

Secretary Noreta R. McGee
Interstate Commerce Commission
12th Street and Constitution Avenue, N.W.
Washington, D.C. 20423

Date 3/6/89
Page 13

Re: Recordation of Lease of Locomotive
Equipment Agreement

ICC Washington, D.C.

Dear Ms. McGee:

I have enclosed an original and two notarized copies of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the United States Code.

This document is a lease, a primary document, dated March 3, 1989.

The names and addresses of the parties to the documents are as follows:

(1) Lessor

General Electric Company
Transportation Systems Business Operation
2901 East Lake Road
Erie, Pennsylvania 16531
Attn: Frank Baumgardner

(2) Lessee

Consolidated Rail Corporation
Materials & Purchasing
Fourth Floor
Six Penn Center Plaza
Philadelphia, Pennsylvania 19104
Attn: J.T. Whatmough

The locomotives covered by the lease are:

25 General Electric Dash 8-40C Diesel Electric Locomotives,
Builder's Specification: 41A313788

MAR 6 2 35 PM '89
MOTOR OPERATING UNIT

Robert A. Stewart

PEPPER, HAMILTON & SCHEETZ

Ms. Noreta R. McGee
March 6, 1989
Page 2

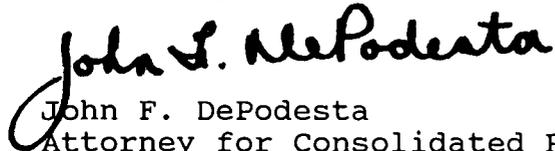
A fee of \$13.00 is enclosed. Please return the original and any extra copies not needed by the Commission to the undersigned. A short summary of the document to appear in the index follows:

Primary Document

A lease between General Electric Company (2901 East Lake Road, Erie, Pennsylvania 16531) and Consolidated Rail Corporation (Six Penn Center Plaza, Philadelphia, Pennsylvania 19104), dated March 3, 1989, and covering 25 General Electric Dash 8-40C Diesel Electric Locomotives.

Please call me if you have any questions or desire additional information.

Very truly yours,



John F. DePodesta
Attorney for Consolidated Rail
Corporation

JFD/an
Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

3/6/89

OFFICE OF THE SECRETARY

John F. DePodesta
Pepper, Hamilton & Scheetz
1300 19th St. N.W.
Washington, D.C. 20036

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 3/6/89 at 2:40pm, and assigned recordation number(s). 16228

Sincerely yours,



Secretary

Enclosure(s)

MAR 6 1989 - 2:40 PM

LEASE OF LOCOMOTIVE EQUIPMENT AGREEMENT

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT, made and entered into as of this third day of March, 1989, by and between General Electric Company, a New York corporation, hereinafter called "Owner," and Consolidated Rail Corporation, a Pennsylvania corporation, hereinafter called "User."

OWNER AND USER HEREBY AGREE AS FOLLOWS:

1. Lease: User agrees to lease from Owner on a daily basis for a period not to exceed fifty (50) days from the commencement of this Agreement the locomotives described in Exhibit A, together with all additions and accessories incorporated therein and/or affixed thereto (the "Locomotives"). Rental shall start immediately upon the execution of a Lease Acceptance Certificate in the form attached hereto as Exhibit B. Delivery shall be made at owner's facility in Erie, Pennsylvania. User shall return the locomotives to Owner at a point on User's lines designated by Owner at the end of such term. User may, however, return the Locomotives to such a point and terminate its use thereof at any time within the 50 day period provided User has given Owner not less than 3 days written notice of its intention to return the Locomotives. In such circumstances, User shall be liable only for rent due through the date of such return.

User will cause the Locomotives to be kept numbered with the identification numbers and names and designations thereon at the time of their delivery hereunder and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of the Locomotives "Ownership subject to documents filed with the Interstate Commerce Commission" in letters not less than one inch in height. User shall affix or cause to be affixed to each Locomotive a nameplate bearing the legible inscription "Title to this Locomotive is held by General Electric Company, the Lessor, which has leased this Locomotive to Consolidated Rail Corporation." User will not place any Locomotive in operation or exercise any control or dominion over the same unless such numbers, names, nameplates and designations are so marked and will replace promptly any such markings which may be removed, obliterated, defaced or destroyed. User will not change the identification number of any Locomotive.

User will not allow the addition of any name of any person, association or corporation to be placed on any Locomotive as a designation that might be interpreted as a claim of ownership during the term of this Lease.

Prior to delivery of any Locomotive hereunder, User, at its own expense and without expense to Owner, shall cause this Lease and any supplements hereto and any assignment and reassignment hereof to be filed with the Interstate Commerce Commission. User shall delivery to Owner one copy of certificates or other evidence satisfactory to counsel for Owner of such

filing and of the payment of filing of fees and taxes, if any, in connection therewith. In addition, User shall do such other acts as may be required by Federal or state law, or reasonably requested by Owner, for the proper protection of Owner's title and interest in the Locomotives.

2. Rent: This Agreement shall commence with respect to each Locomotive when said Locomotive is delivered and accepted by User pursuant to this Lease and shall continue until the Locomotives are returned to Owner pursuant to Section 1 hereof.

The daily rental per Locomotive shall be computed in accordance with the following formula:

$$R = \frac{X \cdot P}{365}$$

where:

R = Daily Rental

X = Prime Rate of Interest announced by a majority of the twelve (12) largest U.S. banks on such date

P = Purchase price of the Locomotive

In the event that User does not return the leased Locomotives on or before the fiftieth (50th) day following commencement of this Agreement, User shall pay to Owner all sums expended by Owner which result from such holding over, including, but not limited to, any rental/lease obligations of Owner.

All Daily Rent shall be payable at the termination of the lease period set forth in Section 1.

User shall not be entitled to any reduction of rent, abatement or setoff counterclaim, recoupment or defense against rent or any other amount payable hereunder for any reason whatsoever, including, but not limited to, reductions, setoffs, counterclaims, recoupments or defenses due or alleged to be due by reason of any past, present or future claims of User against Owner or any other person for any reason whatsoever, except as otherwise provided herein; nor shall this Agreement terminate or the obligations of User be otherwise affected by reason of any defect in the condition, design, operation or fitness for use of the Locomotive or damage to or loss of possession or use or destruction of such Locomotive from whatever cause and of whatever duration, except as otherwise provided herein. User acknowledges that: Owner has no knowledge or information as to the condition or suitability for User's purpose of the Locomotives and Owner's decision to enter into this Agreement is made in reliance on User's undertakings herein, including User's express agreement not to assert against Owner any claims, defenses, setoffs or counterclaims it may now or hereafter have against Owner.

3. Warranties and Representations: Owner warrants and incorporates by reference herein the obligations and warranties as described in the certain Purchase Agreement dated December 15, 1988 between the User and Owner. There are no other warranties, express or implied, made by Owner.
4. Place of Payment or Rent: User shall direct payment of the rent to the following address:

General Electric Company
Transportation Systems Business Operation
2901 East Lake Road
Erie, Pennsylvania 16531
Attn: Frank Baumgardner

5. Recordkeeping; Inspection: User agrees to keep and maintain and make available to Owner such record of User's use, operation, inspection, repairs and maintenance of the Locomotives while in its possession as shall be reasonably requested by Owner.

If requested, within five (5) days of the end of the term of this Agreement, User will furnish to Owner a certificate signed by the chief mechanical officer of User setting forth the maintenance and repairs performed on the Locomotives during the term hereof, and such other information regarding the condition and state of repair of the Locomotives as Owner may reasonably request. Owner at its sole expense, shall have the right by its agents to enter upon the property of User to inspect the Locomotives and the User's records with respect thereto at such reasonable times as Owner may request during the term of this Agreement.

User shall promptly notify Owner of any occurrence of an event of default as defined in Section 18 hereof or default, specifying such event of default or default and the nature and status thereof.

6. Loss or Destruction: In the event that a Locomotive during the term hereof shall become lost, stolen, destroyed, irreparably damaged, permanently rendered unfit for use, or, in the reasonable opinion of User, worn out or damaged beyond the economic limit of repair, from any cause whatsoever, or taken or requisitioned by condemnation or otherwise by the United States Government for a period which shall exceed the then remaining term hereof, or by any other government or governmental entity resulting in the loss of possession by User for a period of 30 consecutive days (such occurrences being hereinafter called "Casualty Occurrences"), User shall notify Owner of such Casualty Occurrence. User shall provide all assistance reasonably requested by Owner in the investigation, defense, or prosecution of any Casualty Occurrence or any claim arising therefrom. On the Lease termination date User shall pay to Owner any unpaid amount due on or prior to such date. In addition, the proceeds of any insurance, any condemnation payment and any other payment received by User in respect of a Casualty Occurrence shall be immediately paid to Owner provided, however, that in no event shall Owner receive more than \$1.3 million hereun-

der with respect to any one Locomotive. User and Owner agree that the fair market value of any Locomotive shall in no event be less than \$1.3 million.

7. Indemnity: User agrees to indemnify, protect and hold harmless Owner from and against all losses, damages, injuries (including death), liabilities, claims (including, without limitations, claims for strict liability in tort) and demands whatsoever, regardless of the cause thereof, and expenses in connection therewith, including, but not limited to, counsel fees and expenses, patent, trademark and copyright liabilities, penalties, and interest, arising from or caused directly by: (a) User's failure to promptly perform any of its obligations under the provisions of Sections 1, 2, 6, 7, 8 and 17 of this Agreement, or (b) injury to person including death or property resulting from or based upon the actual or alleged use, operation, delivery or transportation of any Locomotive or its location or condition, or (c) inadequacy of any Locomotive, or any part thereof, for any purpose or any deficiency or defect therein or the use or maintenance thereof or any repairs, servicing or adjustments thereto or any delay in providing or failure to provide any thereof or any interruption or loss of service or use thereof or any loss of business; and shall, at its own cost and expense, defend any and all suits which may be brought against Owner, either alone or in conjunction with others upon any such liability or claim or claims and shall satisfy, pay and discharge any and all judgments and fines that may be recovered against Owner in any such action or actions; provided, however, that (i) Owner shall give User written notice of any such claim or demand received by Owner, and (ii) User shall not be required to indemnify, protect, hold harmless and defend Owner for any loss, damage, injury, liability, claim, demand or expense to the extent it results from the gross negligence or willful misconduct of Owner. The indemnities arising under this Section shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement or the expiration or termination of this Agreement.

Except as otherwise expressly provided in this Agreement and subject to the same types of limitations set forth in clause (ii) of the first paragraph of this Section 7, User shall bear the responsibility and risk for, and shall not be released from its obligations hereunder in the event of, any damages to or the destruction or loss of the Locomotives.

8. Compliance with Law; Repair and Maintenance: User shall comply with the FRA, and all other applicable laws, regulations and requirements with respect to use, maintenance and operation of the Locomotives during the term of this Agreement. User shall use the Locomotives only in the manner for which they were designed so as to subject them only to ordinary wear and tear.

User shall at its own cost and expense, maintain and service the Locomotive in accordance with prudent industry practice including testing and repair of the Locomotives so that the Locomotives will remain (a) in as good operating condition as when delivered (ordinary wear and tear ex-

cepted), and (b) in compliance with any and all applicable laws and regulations. In no event shall the Locomotives be maintained or scheduled for maintenance on a basis less frequent than the maintenance or maintenance scheduling basis employed as of the date hereof by User for similar equipment. Any parts installed or replacements made by User upon the Locomotives shall be considered accessions to the Locomotives and title thereto shall be immediately vested in Owner, without cost or expense to Owner; provided, however, User may remove from the Locomotives any (a) communications equipment, (b) train control, (c) end of train telemetry, and (d) recording devices, which User paid for and installed but only if such removal may be accomplished without damage to the Locomotives.

Except for alterations or changes required by law or regulation, User shall not effect any alteration or change in or to the design, construction, specification or appearance of the Locomotives, body or electrical equipment or components thereof, without the prior written consent of owner.

9. Assignment by User: User shall not assign or sublet its interest, or any parts thereof, under this Agreement, or permit the use or operation of the Locomotives subject to this Agreement by any other person, firm or corporation, other than wholly owned subsidiaries, without the prior written consent of Owner. Owner expressly consents to incidental operation and use on railroads other than User's.

10. Notices: Unless otherwise specifically provided, any notices to be given under this agreement or any other communications between the parties shall be given by certified mail, postage prepaid in the following manner:

(a) Notices from Owner to User shall be sent to:

J.T. Whatmough
Vice President, Materials & Purchasing
4th Floor
Six Penn Center Plaza
Philadelphia, PA 19103

or to such other address as User may from time to time indicate by written notice to Owner.

(b) Notices from User to Owner shall be sent to:

General Electric Company
Transportation Systems Business Operation
2901 East Lake Road
Erie, PA 16531
Attn: Frank Baumgardner

11. Quiet and Enjoyment: So long as User makes its aforesaid rental payments and otherwise complies with the terms and provisions hereof, User shall be

entitled to the use and possession of the Locomotives according to the terms hereof without interference by Owner or by any party lawfully claiming by or through Owner.

12. Authority: The undersigned signatories herewith represent and warrant that they are fully authorized to execute this Agreement and bind the respective parties to the terms and provisions hereof.
13. Protection of Owner's Title: Owner may, at its option, cause this Agreement to be duly filed, registered or recorded in conformity with Section 11303 of the Interstate Commerce Act or other places within or without the United States as Owner may reasonably request for the protection of its title and will furnish Owner proof thereof. User will, from time to time, do and perform any other act and will execute, acknowledge, deliver, file, register and record any and all further instruments or reasonably requested by Owner, for the purpose of protecting Owner's title to the Locomotives.

User shall not cause to be created or suffer the creation of any lien, charge or encumbrance, including any lien for taxes, on the Locomotives. Should any such lien, charge or encumbrance be created as to or impressed on the Locomotives, User shall cause such to be promptly discharged and terminated.

14. Taxes: User, or Owner at User's expense, shall report, pay and discharge when due all license and registration fees, assessments, use and property taxes, gross receipts taxes arising out of receipts from use or operation of the Locomotives including without limitation amounts payable under Sections 2, 6 and 10, hereof and other taxes excluding any tax measured by Owner's net income), together with any penalties or interest thereon, imposed by any state, federal or local government upon the Locomotives and whether or not the same shall be assessed against or in the name of Owner or User.
15. Performance Obligations of User by Owner: In the event that the User shall fail duly and promptly to perform any of its obligations under the provisions of this Agreement, Owner may, at its option, perform the same for the account of User without thereby waiving such default, and any amount paid or expense (including reasonable attorneys' fees), penalty or other liability incurred by Owner in such performance, together with interest at the lesser of 1-1/2% per month or the highest amount allowed by law thereon until paid by the User to Owner, shall be payable by the User upon demand as additional rent hereunder.
16. Further Assurance: User shall execute and deliver to Owner, upon Owner's request such instruments and assurances as Owner deems necessary or advisable for the confirmation or perfection of this Agreement and Owner's rights hereunder.

17. User's Covenants: User will: (a) defend at User's own cost any action, proceeding or claim affecting the Locomotives except as stated in Section 7; (b) do everything necessary or expedient to preserve or perfect the Owner's interest in the Locomotives; (c) not misuse, fail to keep in good repair (ordinary wear and tear excepted), secrete, or, without the prior written consent of Owner and notwithstanding Owner's claim to proceeds, sell, rent, lend, encumber or transfer the Locomotives, except as provided in Subsection (e) of this Section; (d) agree that Owner may enter upon User's premises or wherever the Locomotives may be located at any reasonable time and upon reasonable notice to inspect the Locomotives; and (e) except as provided in Section 9 of this Agreement, not permit the use of the Locomotives by any other party, without Owner's consent to be granted in its sole discretion and (f) return the Locomotives to owner at the end of the term as provided in Section 1.
18. Default: An event of default shall occur if: (a) User fails to pay when due any installment of rent and such failure continues for a period of 15 days; (b) User shall fail to perform or observe any covenant, condition or agreement to be performed or observed by it hereunder and such failure continues uncured for 15 days after written notice thereof to User by Owner; (c) User ceases doing business as a going concern, makes an assignment for the benefit of creditors, admits in writing its inability to pay its debts as they become due, files a voluntary petition in bankruptcy, is adjudicated a bankrupt or an insolvent, files a petition seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar arrangement under any present or future statute, law or regulation or files an answer admitting the material allegations of a petition filed against it in any such proceedings, consents to or acquiesces in the appointment of a trustee, receiver, or liquidator of its or of all or any substantial part of its assets or properties, or if it or its shareholders shall take any action looking to its dissolution or liquidation; (d) within 60 days after the commencement of any proceedings against User seeking reorganization, arrangement, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulations, such proceedings shall not have been dismissed, or if within 60 days after the appointment without User's consent or acquiescence of any trustee, receiver or liquidator of it or of all or any substantial part of its assets and properties, such appointment shall not be vacated; or (e) User attempts to remove, sell, transfer, encumber, part with possession or sublet any of the Locomotives in a manner prohibited hereunder without the consent of Owner.

Upon the occurrence of an event of default, Owner, at its option, may: (a) declare all sums due and to become due hereunder immediately due and payable; (b) proceed by appropriate court action or action or other proceedings either at law or equity to enforce performance by the User of any and all covenants of this Agreement and to recover damages for the breach thereof; (c) demand that User deliver the Locomotive forthwith to Owner at User's expense at such place as Owner may designate on User's Line; and (d) Owner and/or its agents may, without notice or liability of legal pro-

cess, enter into any premises of or under control or jurisdiction of User or any agent of User where any Locomotive may be or by Owner is believed to be, and retake such Locomotive, disconnecting and separating all thereof from any other property and using all force necessary and permitted by applicable law so to do, User hereby expressly waives all further rights to possession of the Locomotives and all claims for damages suffered through or loss caused by such retaking. If any statute governing any proceedings hereunder specifies the amount of Owner's deficiency or other damages for breach of this Agreement by the User, Owner shall be entitled to provide as and for damages for the breach an amount equal to that allowed under such statute in lieu of any other damages for breach of this Agreement. The provisions of this paragraph shall be without prejudice to any rights given to Owner by such statute to provide for any amounts allowed thereby. Should any proceedings be instituted by or against Owner for monies due to Owner hereunder and/or for possession of any Locomotive or for any other relief, User shall pay a reasonable sum as attorneys' fees.

The remedies in this Agreement provided in favor of Owner shall not be deemed exclusive, but shall be cumulative and may be exercised concurrently or consecutively, and shall be in addition to all other remedies in its favor existing at law or in equity. User 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 not, at the time in question, prohibited by law. User hereby waives any and all existing or future claims to any offset against the rental payments due hereunder, and agrees to make such payments regardless of any offset or claim which may be asserted by the User or on its behalf. Owner and the User agree that notwithstanding the Bankruptcy Code of or any other bankruptcy act, Owner shall have the right to take possession of any or all of the Locomotives upon any event of default under this Agreement regardless of whether the User is in reorganization.

No failure by Owner to exercise, and no delay by Owner in exercising, any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege by Owner preclude any other or further exercise thereof, or the exercise of any other right, power or privilege.

19. Opinions of Counsel: Promptly after the recording of this Lease as provided for in Section 1 hereof and before delivery of any Locomotive hereunder, the User will deliver to the Owner an opinion of counsel for User, in five copies and in form and substances satisfactory to counsel for Owner, to the effect that (i) the User is a duly organized and validly existing corporation in good standing under the laws of the State of Pennsylvania; is duly qualified to do business in such jurisdictions as are necessary to carry out the transactions contemplated by this Lease; and has the power and authority to own its properties and carry on its business as now conducted; (ii) this Lease had been duly authorized, executed and delivered by the User and does not contravene any provision

of law or of its charter or by-laws nor contravene or constitute a default under the provisions of any agreement or other instrument binding upon User; this Lease has been filed and recorded in such public offices as may be necessary for the full protection of the rights of the Owner and assignees of the Owner; and this Lease is valid, binding and legally enforceable against the User in accordance with its terms, subject to any applicable insolvency, bankruptcy or moratorium laws; and (iii) the rights of Owner as herein set forth and the title of Owner to the Locomotives furnished under this Lease are and will be senior to the lien of any mortgage, security agreement, or other instrument binding upon User; (iv) no governmental authorizations, approvals or exemptions (including, without limitation, approvals of the Interstate Commerce Commission, of public service commissions, or other regulatory authorities in states in which User operates) are required for the execution and delivery of this Lease or for the validity or enforceability thereof or for the leasing of the Locomotives hereunder or the rentals and on the other terms and conditions herein provided, or if any such authorizations, approvals or exemptions are required, that they have been obtained; and (v) no litigation or administrative proceedings are pending or to the knowledge of the User, threatened against the User, the adverse determination of which would affect the validity of this Lease or the rights of the Owner hereunder.

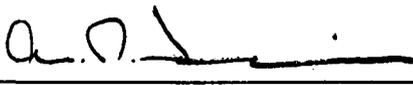
20. Choice of Law: This Agreement shall be governed in all respect by the law of the Commonwealth of Pennsylvania.
21. Miscellaneous: All transportation charges shall be borne by User. If any part hereof is contrary to, prohibited by or deemed invalid under applicable laws or regulations of any jurisdiction, such provision shall be inapplicable and deemed omitted but shall not invalidate the remaining provisions hereof. This Agreement is irrevocable for the full term hereof and for the aggregate rental herein reserved. User admits the receipt of a true copy of this Agreement.
22. Liability of Owner:
 - 22.1 Owner shall have no liability to User arising out of the furnishing of any Locomotive under this lease, or their use, whether the liability is based on contract, warranty, tort (including negligence) or otherwise.
 - 22.2 In no case, whether liability arises under breach of contract, warranty, tort (including negligence) or otherwise, will Owner's liability include any special, incidental, indirect or consequential damages including, but not limited to, loss of revenue or profits, damage to freight, loss of use of any equipment, cost of capital, downtime costs, or claims of User's customers for such damages.

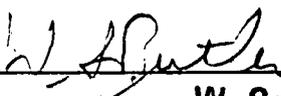
23. Purchase Agreement of December 15, 1988: Except as provided in this Section 23, nothing herein shall be deemed to alter, amend or affect the respective rights and obligations of the parties under the Purchase Agreement dated December 15, 1988. The lease of the Locomotives specified in Exhibit A shall not disqualify such Locomotives for purposes of being "new" under that Purchase Agreement dated December 15, 1988.

This Lease may be terminated upon notice by the User.

Date: 3/2/89

General Electric Company

Attest: 

By: 

W. Scott Butler

Title: General Manager - Marketing
G.E. Transportation Systems

Consolidated Rail Corporation

Attest: 

By: 
Philip H. Wilson

Title: Director - Purchasing

CEWP:CON-LEASE

COMMONWEALTH OF PENNSYLVANIA

_____))
COUNTY OF ERIE) ss.

On this 2nd day of March, 1989, before me personally appeared W. S. Butler, to me personally known, who, being by me duly sworn, did say that he is a General Manager of General Electric Company, that the instrument was signed on behalf of such 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 such corporation.

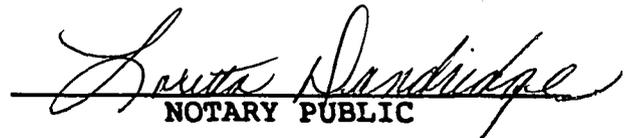
Betty A. Manucci
NOTARY PUBLIC

~~My commission expires:~~

NOTARIAL SEAL
BETTY A. MANUCCI, NOTARY PUBLIC
LAWRENCE PARK TWP., ERIE COUNTY
MY COMMISSION EXPIRES JAN 14, 1991
Member, Pennsylvania Association of Notaries

Commonwealth of Pennsylvania)
County of Philadelphia) ss.

On this third day of March, 1989, before me personally appeared Philip H. Wilson, to me personally known, who, being by me duly sworn, did say that he is a Director - Purchasing of the Consolidated Rail Corporation, that the instrument was signed on behalf of such 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 such corporation.


NOTARY PUBLIC

My commission expires:



EXHIBIT A

Type: Dash 8-40C Diesel Electric Locomotive

Builder's Specification: 41A313788

Delivery Point: Erie, PA

Quantity: 25

Lessee's Identification Nos.:

EXHIBIT B

LEASE ACCEPTANCE CERTIFICATE

I, the duly authorized representative for the Consolidated Rail Corporation (the "User") under the Lease of Locomotive Equipment, dated March 3, 1989, do certify that I inspected and accepted delivery thereunder of the following Units of Equipment:

TYPE OF LOCOMOTIVE: Dash 8-40C Diesel Electric

PLACE ACCEPTED: Erie, Pennsylvania

DATE ACCEPTED:

NUMBER OF UNITS:

MARKED:

ROAD NUMBER(S):

I do further certify that the foregoing Units are in good order and condition, and conform to the specifications, requirements and standards applicable therefore as provided in the Lease.

I do further certify that each of the foregoing Units has been marked upon each side of each such Unit in letters not less than one inch in height as follows:

"Ownership subject to documents with the Interstate Commerce Commission."

Authorized Representative of User