

9-107A007

MORGAN, LEWIS & BOCKIUS

PHILADELPHIA
LOS ANGELES
MIAMI
HARRISBURG

COUNSELORS AT LAW
2000 ONE LOGAN SQUARE

PHILADELPHIA, PENNSYLVANIA 19103

TELEPHONE: (215) 963-5000
CABLE ADDRESS: MORLEBOCK
TELEX: 83-1315

WASHINGTON
NEW YORK
SAN DIEGO
LONDON

16288

RECORDATION NO. FILED 1423

APR 17 1989 - 10:45 AM

REBECCA A. CRAFT
DIAL DIRECT (215) 963-5257

RECORDATION NO. FILED 1423

APR 17 1989 - 10:55 AM

April 14, 1989

INTERSTATE COMMERCE COMMISSION

INTERSTATE COMMERCE COMMISSION

Ms. Noreta R. McGee
Secretary
Interstate Commerce Commission
Washington, DC

REC-8
REC-9

1000 Washington D.C.

Re: Lease of Locomotives from NBB Pennsylvania
Lease Co., Ltd. to Consolidated Rail
Corporation

APR 17 10 48 AM '89
NOTOR OPERATING UNIT

Dear Ms. McGee:

Enclosed are an original and two originally executed counterparts of the primary document and the secondary document described below to be recorded pursuant to Section 11303, Title 49, of the United States Code.

The enclosed primary document is:

Lease Agreement dated as of April 14, 1989 between NBB Pennsylvania Lease Co., Ltd., as lessor, and Consolidated Rail Corporation, as lessee.

The enclosed secondary document is:

Lease Supplement No. 1 dated April 14, 1989 between NBB Pennsylvania Lease Co., Ltd., as lessor, and Consolidated Rail Corporation, as lessee. The primary document to which this is connected is being submitted for recording concurrently herewith.

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

Rebecca A. Craft
Rebecca A. Craft

Ms. Noreta R. McGee
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Lease Agreement

Lessor:
NBB Pennsylvania Lease Co., Ltd.
1-12-11 Nihonbashi, Chuo-ku
Tokyo 103, Japan

Lessee:
Consolidated Rail Corporation
6 Penn Center Plaza, Room 1310
Philadelphia, PA 19103

Lease Supplement

Lessor:
NBB Pennsylvania Lease Co., Ltd.
1-12-11 Nihonbashi, Chuo-ku
Tokyo 103, Japan

Lessee:
Consolidated Rail Corporation
6 Penn Center Plaza, Room 1310
Philadelphia, PA 19103

The description of the equipment covered by both of these documents is as follows:

Twenty-five (25) General Electric Dash 8-40C diesel electric locomotives each marked on the sides in letters not less than one inch in height with the words "Ownership Subject to Documents Filed with the Interstate Commerce Commission" and bearing a nameplate with the legible inscription "TITLE TO THIS LOCOMOTIVE IS HELD BY NBB PENNSYLVANIA LEASE CO., LTD., THE LESSOR, WHICH HAS LEASED THIS LOCOMOTIVE TO CONSOLIDATED RAIL CORPORATION" and the twenty-five (25) locomotives bear the road numbers 6025 through 6049 inclusive.

MORGAN, LEWIS & BOCKIUS

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A fee of Thirteen Dollars (\$13.00) is enclosed.
Please return the original and any extra copies not needed by
the Commission for recordation to:

Rebecca A. Craft, Esquire
Morgan, Lewis & Bockius
2000 One Logan Square
Philadelphia, PA 19103

A short summary of the documents to appear in the
index follows:

- 1) Lease agreement:
Lease agreement between NBB Pennsylvania Lease
Co., Ltd., a corporation formed under the laws
of Japan and having its principal office at
1-12-11 Nihonbashi, Chuo-ku, Tokyo 103, Japan
and Consolidated Rail Corporation, as lessee,
6 Penn Center Plaza, Philadelphia,
Pennsylvania, 19103, dated as of April 14,
1989 and covering twenty-five (25) General
Electric Dash 8-40C diesel electric
locomotives bear the road numbers 6025
through 6049 inclusive.

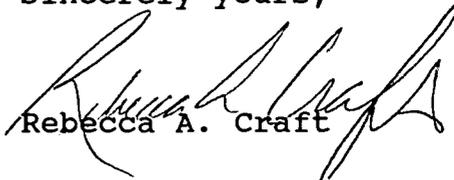
- 2) Lease supplement No. 1:
Lease supplement No. 1 between NBB
Pennsylvania Lease Co., Ltd., lessor, a
corporation formed under the laws of Japan and
having its principal office at 1-12-11
Nihonbashi, Chuo-ku, Tokyo 103, Japan and
Consolidated Rail Corporation, lessee, 6 Penn
Center Plaza, Philadelphia, Pennsylvania,
19103, dated as of April 14, 1989 and covering
25 General Electric Dash 8-40C diesel electric
locomotives bear the road numbers 6025
through 6049 inclusive.

MORGAN, LEWIS & BOCKIUS

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If you have any questions, please do not hesitate
to call the undersigned.

Sincerely yours,



Rebecca A. Craft

RAC/bj

RECORDATION NO 16288-14
FILED 1428

APR 17 1989 - 10 55 AM

INTERSTATE COMMERCE COMMISSION

LEASE SUPPLEMENT NO. 1, dated April 14, 1989, between NBB PENNSYLVANIA LEASE CO., LTD., a corporation formed under the laws of Japan ("Lessor") and CONSOLIDATED RAIL CORPORATION, a Pennsylvania corporation ("Lessee").

W I T N E S S E T H:

WHEREAS, Lessor and Lessee have heretofore entered into that certain Lease Agreement, dated as of April 14, 1989 (herein called the "Lease Agreement"). All capitalized terms used herein without definition shall have the meanings specified in Appendix A to the Lease. The Lease Agreement provides for the execution and delivery from time to time of Lease Supplements, each substantially in the form hereof for the purpose of leasing specific Items of Equipment under the Lease Agreement as and when delivered by Lessor to Lessee in accordance with the terms thereof.

WHEREAS, the Lease Agreement relates to the Items of Equipment described below, a counterpart of the Lease Agreement is attached hereto and made a part hereof and this Lease Supplement, together with such attachment, is being filed for recordation on the date hereof with the Interstate Commerce Commission as one document.

NOW THEREFORE, in consideration of the premises and other good and sufficient consideration, Lessor and Lessee hereby agree as follows:

1. Lessor hereby delivers and leases to Lessee under the Lease Agreement, and Lessee hereby accepts and leases from Lessor under the Lease Agreement twenty-five General Electric Dash 8-40C Diesel Electric Locomotives, bearing Lessee's road numbers 6025 through 6049 inclusive.

2. The Delivery Date of the Items of Equipment is the date of this Lease Supplement set forth in the opening paragraph hereof.

3. The Lessor's Cost for each Item of Equipment is \$1,299,413.00 and the aggregate Lessor's Cost for all of the Items of Equipment is \$32,485,325.00.

4. The Term for the Items of Equipment shall commence on the Delivery Date and shall end on the Lease Expiry Date.

5. Lessee hereby confirms to Lessor that the Items of Equipment shall, as soon as practicable, be duly marked in accordance with the terms of Section 7(f) of the Lease Agreement and that Lessee has accepted the Items of Equipment for all purposes hereof and of the Lease Agreement as being (i) in good working order and repair and without defect or inherent vice in title, condition, design, workmanship, operation or fitness for use whether or not discoverable by Lessee as of the date hereof, (ii) fully equipped to operate in commercial freight rail business in the United States and Canada and (iii) free and clear of all Liens except Permitted Liens; provided, however, that nothing contained herein or in the Lease Agreement shall in any way diminish or otherwise affect any right Lessee or Lessor may have with respect to the Items of Equipment against the Manufacturer, or any subcontractor or supplier of the Manufacturer, under the Purchase Agreement or otherwise.

6. Lessee hereby confirms its agreement to pay, or make provision for payment to, Lessor, in accordance with the terms of Sections 3 and 21 of the Lease Agreement, Rent for the Items of Equipment throughout the Term therefor in accordance with Sections 3 and 21 of the Lease Agreement.

7. All of the terms and provisions of the Lease Agreement are hereby incorporated by reference in this Lease Supplement to the same extent as if fully set forth herein.

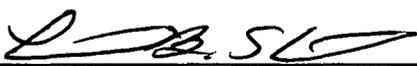
8. This Lease Supplement may be executed in any number of counterparts (and each of the parties hereto shall not be required to execute the same counterpart). Each counterpart of this Lease Supplement, including a signature page executed by each of the parties hereto, shall be an original counterpart of this Lease Supplement, but all of such counterparts together shall constitute one instrument.

9. THIS LEASE SUPPLEMENT HAS BEEN DELIVERED IN PHILADELPHIA, PENNSYLVANIA. IT SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF JAPAN, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Lease Supplement to be duly executed as of the day and year first above written.

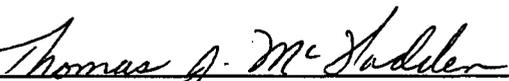
LESSOR

NBB PENNSYLVANIA LEASE CO., LTD.

By: 
Title:Attorney-in-fact

LESSEE

CONSOLIDATED RAIL CORPORATION

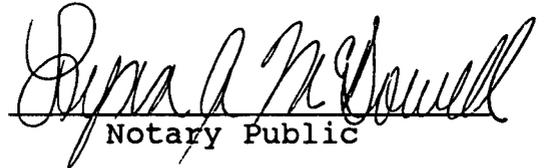
By: 
Title:Manager - Financing

STATE OF PENNSYLVANIA :
COUNTY OF PHILADELPHIA : SS

On this, the 14th day of April, 1989, before me, a notary public, the undersigned officer, personally appeared Thomas J. McFadden, who acknowledged himself to be the Manager - Financing of Consolidated Rail Company, a corporation, and that he, as such Manager - Financing, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as Manager - Financing.

In witness whereof, I hereunto set my hand and official seal.

(NOTARIAL SEAL)


Notary Public

My Commission Expires:

NOTARIAL SEAL
LYNN A. McDOWELL, NOTARY PUBLIC
PHILADELPHIA, PHILADELPHIA COUNTY
MY COMMISSION EXPIRES OCT. 28, 1992

Member, Pennsylvania Association of Notaries



POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS,

That I, Hisaaki Iekura, Representative Director of NBB PENNSYLVANIA LEASE CO., LTD. ("NBB Pennsylvania") do hereby constitute and appoint Eric J. Lucas, Peter Turbott, James Fantaci, Robert L. Falkenberg and Leonard B. Shavel jointly or any of them individually, in connection with the purchase by NBB Pennsylvania from General Electric Company (the "Manufacturer") of twenty-five diesel electric locomotives (the "Items of Equipment") and the subsequent lease thereof to Consolidated Rail Corporation (the "Lessee"), as my true and lawful agents and attorneys-in-fact, each with full power of substitution and revocation, to perform each and all of the following acts for and on behalf of me as Representative Director of NBB Pennsylvania in connection with the purchase and lease of the Items of Equipment as aforesaid:

1. to execute the Lease Agreement between NBB Pennsylvania, as lessor, and the Lessee dated as of April 14, 1989 and to deliver or cause to be delivered such Lease Agreement to the Interstate Commerce Commission for recordation pursuant to 49 U.S.C. § 11303 (1988) and to the Registrar General of Canada for recordation under Section 90 of the Railway Act of Canada and for distribution to the parties at closing in connection therewith;
2. to execute Lease Supplement No. 1 dated April 14, 1989 between NBB Pennsylvania, as lessor, and the Lessee and to deliver or cause to be delivered such Lease Supplement No. 1 to the Interstate Commerce Commission for recordation pursuant to 49 U.S.C. § 11303 (1988) and to the Registrar General of Canada for recordation under Section 90 of the Railway Act of Canada and for distribution to the parties at closing in connection therewith;
3. to execute the Assignment Agreement dated as of April 14, 1989 between the Lessee and NBB Pennsylvania and the Consent, Agreement and Limited Joinder dated as of April 14, 1989 among the Manufacturer, the Lessee and NBB Pennsylvania (together, the "Agreements") and to deliver or cause to be delivered such Agreements to the Interstate Commerce Commission for recordation pursuant to 49 U.S.C. § 11303 (1988) and to the Registrar General of Canada for recordation under Section 90 of the Railway Act of Canada and for distribution to the parties at closing in connection therewith;

4. to execute the Bank Security Agreement dated as of April 14, 1989 between NBB Pennsylvania and Barclays Bank PLC, as lender, (the "Agreement") and to deliver or cause to be delivered such Agreement to the Interstate Commerce Commission for recordation pursuant to 49 U.S.C. § 11303 (1988) and to the Registrar General of Canada for recordation under Section 90 of the Railway Act of Canada and for distribution to the parties at closing in connection therewith;
5. to execute and deliver a Participation Agreement and Loan Agreement in connection with the Items of Equipment;
6. to execute and deliver any and all such agreements, undertakings, consents and other documents, instruments and papers as may be necessary in connection therewith, and otherwise to do any and all other acts and things that may be necessary in such connection and to accept delivery of the Items of Equipment and any and all such agreements, undertakings and other documents, instruments and papers from the Manufacturer or the Lessee or anybody else whomsoever in connection with the purchase and lease of the Items of Equipment as aforesaid; and
7. to appoint one or more sub-attorneys to act on behalf of NBB Pennsylvania with respect to all the powers granted hereinabove, fully to effect the powers hereby granted, all on behalf of NBB Pennsylvania.

And I do hereby ratify all that such agents and attorneys-in-fact may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto set my hand as of this day of April, 1989.


Name: Hisaaki Iekura
Title: Representative Director
NBB PENNSYLVANIA LEASE
CO., LTD.