

Indra Bedasie
Legal Assistant

The CIT Group/
Capital Finance, Inc.
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RECORDATION NO. 20930 FILED

OCT 8 '97

2-00PM

**THE
CIT
GROUP**

October 3, 1997

BY FEDERAL EXPRESS

**Re: Memorandum of Railcar Lease dated August 30, 1997
between Consolidated Rail Corporation and
The CIT Group/Equipment Financing, Inc.**

Enclosed herewith are three (3) originals of the above-referenced Memorandum of Railcar Lease, duly executed and notarized. Please have the enclosed recorded with the Surface Transportation Board urgently, thereafter returning two recorded originals to my attention.

Should you have any questions, please do not hesitate to give me a call. Thank you for your assistance on this matter.

Very truly yours,


Indra Bedasie

Enclosure

cc: N. Coblazo
S. Darnell, Esq.
R. Dinnhaupt
J. Wickham

630.ltr

A company of
Dai-Ichi Kangyo Bank and
Chase Manhattan Corporation

RECEIVED
SURFACE TRANSPORTATION
BOARD

OCT 8 1 54 PM '97

Counterparts - R. R.

OCT 8 '97 2-00PM

MEMORANDUM OF RAILCAR LEASE

THIS MEMORANDUM OF RAILCAR LEASE dated as of this 30 day of August, 1997, is made by CONSOLIDATED RAIL CORPORATION, a Pennsylvania corporation, with an address at 2001 Market Street, Philadelphia, Pennsylvania 19103 (the "Lessee"), and THE CIT GROUP/EQUIPMENT FINANCING, INC., a New York corporation, with an address at 1211 Avenue of the Americas, New York, New York 10036 (the "Lessor" and, together with the Lessee, the "Parties").

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, the Lessor and the Lessee entered into that certain Railroad Equipment Lease (the "Lease") dated as of August 30, 1997, covering the equipment listed on Schedule I hereto (the "Equipment");

WHEREAS, the Parties wish to show for the public record the existence of the aforesaid Lease, and the respective interests therein of the Parties and accordingly the Parties have caused this memorandum to be executed by their respective duly authorized officers, as of the date first above written.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto, by this instrument the Lessor hereby leases and confirms the lease of the Equipment to the Lessee in accordance with the terms and conditions of the Lease, and the Lessee confirms and accepts such terms and conditions, which are incorporated by reference as if fully set forth herein.

IN WITNESS WHEREOF, the undersigned has caused this Document to be executed by a duly authorized officer as of the day and year first above written.

THE CIT GROUP/EQUIPMENT FINANCING, INC.

By: Nancy Nardella Coblazo
Name: Nancy Nardella Coblazo
Title: Vice President

CONSOLIDATED RAIL CORPORATION

By: Thomas D. McGraw
Name: Thomas D. McGraw
Title: Asst. Treasurer

STATE OF NEW YORK:

:SS.

COUNTY OF NEW YORK:

On this 25th day of September, 1997, before me personally appeared NANCY MADEIRA COBLAZO, to me personally known, who, being by me duly sworn, acknowledged before me that he is a VICE-PRESIDENT of **THE CIT GROUP / EQUIPMENT FINANCING, INC.** and that said instrument was signed on behalf of said corporation by authority of its Board of Directors. Further, he acknowledged before me that the execution of the foregoing instrument was the free act and deed of said corporation.

Barbara Garner
NOTARY PUBLIC

My Commission Expires:

BARBARA GARNER
Notary Public, State of New York
No. 01GA5065133
Qualified in Nassau County
Certificate Filed in New York County
Commission Expires Sept. 3, 1998

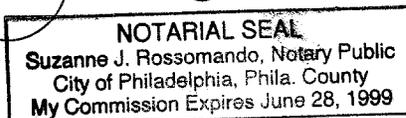
COMMONWEALTH OF PENNSYLVANIA:

:SS.

COUNTY OF PHILADELPHIA:

On this 18th day of September, 1997, before me personally appeared Thomas J. McGraw, to me personally known, who, being by me duly sworn, acknowledged before me that he is a Assistant Treasurer of **CONSOLIDATED RAIL CORPORATION** and that said instrument was signed on behalf of said corporation by authority of its Board of Directors. Further, he acknowledged before me that the execution of the foregoing instrument was the free act and deed of said corporation.

Suzanne J. Rossomando
NOTARY PUBLIC



My Commission Expires:

SCHEDULE NO. 1

EQUIPMENT DESCRIPTION

100 new 42', 286,000 lb. capacity covered coil gondolas built by Thrall Car Manufacturing Company in 1997.

Reporting Marks and Numbers:

CR623900 - CR623999 inclusive