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RECORDATION NO. 19623-11 FILED 1425

SEP 29 1995 11 50 AM

INTERSTATE COMMERCE COMMISSION

September 29, 1995

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Mr. Vernon A. Williams  
Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two (2) copies of a Railroad Equipment Lease, dated as of September 29, 1995, a primary document as defined in the Commission's Rules for the Recordation of Documents under 49 C.F.R. Section 1177 and two (2) copies of a Bill of Sale, dated as of September 29, 1995, a secondary document thereto.

The names and addresses of the parties to the enclosed documents are:

*lunger*

Lessor: ATEL Cash Distribution Fund VI, L.P.  
235 Pine Street  
San Francisco, California 94104

*seller*

Lessee: Consolidated Rail Corporation  
2001 Market Street  
Philadelphia, Pennsylvania 19101

A description of the railroad equipment covered by the enclosed documents is:

sixty-three (63) locomotives CR 6441 through CR 6503, inclusive

*Counterparts - Kim Bartman*

Mr. Vernon A. Williams  
September 29, 1995  
Page 2

Also enclosed is a check in the amount of \$42.00 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return stamped copies of the enclosed documents to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/bg  
Enclosures

RECORDATION NO. 19623 FILED 1425

SEP 29 1995 11 50 AM

INTERSTATE COMMERCE COMMISSION

RAILROAD EQUIPMENT LEASE

(Net)

By and Between

ATEL Cash Distribution Fund VI, L.P.,  
a California limited partnership

and

CONSOLIDATED RAIL CORPORATION,  
a Pennsylvania Corporation

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Dated as of:

September 29, 1995

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TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
1. Lease of Units . . . . .	1
2. Base Rental . . . . .	1
3. Delivery and Acceptance of Units . . . . .	3
4. Maintenance and Repairs . . . . .	3
5. Disclaimer of Warranties . . . . .	3
6. Use of the Units . . . . .	4
7. Use of Units in Canada . . . . .	4
8. Filings . . . . .	4
9. Taxes and Other Assessments . . . . .	5
10. Indemnification . . . . .	6
11. Income Tax Indemnity . . . . .	6
12. Lessor's Performance of Lessee's Obligations . . . . .	8
13. Insurance . . . . .	8
14. Risk of Loss . . . . .	8
15. Annual Report . . . . .	9
16. Lessee Default . . . . .	10
17. Lessor's Remedies . . . . .	11
18. Return of Units . . . . .	13
19. Representations and Warranties of Lessee . . . . .	15
20. Representations and Warranties of Lessor . . . . .	16
21. Notices . . . . .	17
22. Renewal Option . . . . .	18
23. Purchase Option . . . . .	18
24. Invalid Provisions . . . . .	19
25. Miscellaneous Provisions . . . . .	19

THIS RAILROAD EQUIPMENT LEASE (the "Lease") is entered into as of this 29th day of September, 1995, by and between ATEL Cash Distribution Fund VI, L.P., a California limited partnership (hereinafter referred to as "Lessor") and Consolidated Rail Corporation, a Pennsylvania corporation (hereinafter referred to as "Lessee").

WHEREAS, Lessee desires to lease from Lessor and Lessor desires to lease to Lessee all of the items of equipment specified in Exhibit A attached hereto (hereinafter collectively referred to as the "Units" and singularly referred to as "Unit") on the terms and conditions stated herein.

NOW, THEREFORE, in consideration of the mutual premises, covenants and agreements set forth herein, the parties hereby agree as follows:

1. Lease of Units. (a) Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the Units, to have and to hold the same unto Lessee for the sixty (60) month period commencing on the date ("Commencement Date") the Lessee has accepted all of the Units under this Lease and ending on the same day of the month sixty (60) months thereafter (the "Termination Date"). The period of time commencing on the Commencement Date and ending on the Termination Date shall sometimes hereinafter be referred to as the "Term."

(b) Lessor and Lessee acknowledge and agree that this is a sale-leaseback transaction and the Units have previously been in Lessee's possession and are in Lessee's possession as of the Commencement Date. The obligation of Lessor to purchase any Unit from Lessee and to lease the same to Lessee shall be subject to the receipt by Lessor, prior to the Commencement Date, of each of the following documents in form and substance satisfactory to Lessor: (i) a duly executed bill of sale (the "Bill of Sale") for that Unit in the form of Exhibit B attached hereto, (ii) evidence of insurance which complies with the requirements of Section 13, (iii) a Certificate of Acceptance for that Unit in the form of Exhibit C attached hereto, (iv) evidence of authority and an incumbency certificate for Lessee and (v) an opinion of counsel for Lessee.

2. Base Rental. Lessee agrees to pay to Lessor, at Lessor's offices located at 235 Pine Street, 6th Floor, San Francisco, CA 94104, or to such other persons or at such other places as the Lessor may direct from time to time by written notice to Lessee, by electronic funds transfer or in coin or currency which at the time of payment is legal tender for payment of public and private debts in the United States of America, the amount of rent specified in

Exhibit D attached hereto (the "Base Rental") during the Term of this Lease. The Base Rental provided for herein and then in effect, shall be due and payable in arrears on the same day of the month as the Commencement Date, beginning six (6) months after the Commencement Date and semi-annually thereafter during the Term of this Lease. The Lessee shall also pay, as additional rent, all such other sums of money as shall become due and payable by Lessee to Lessor under this Lease (the Base Rental and any additional rent due hereunder are sometimes hereinafter referred to as "Gross Rental"). As additional interim rent, Lessee shall pay to Lessor on the Commencement Date a pro-rated portion of the Base Rental for each Unit for the period of time from the acceptance of that Unit under this Lease to the Commencement Date. All past due installments of Gross Rental shall bear interest from date due until paid at the greater of (a) fourteen percent (14%) per annum or (b) the annual rate of five percent (5%) plus the prime rate announced from time to time by the Chemical Bank of New York, or any successor in interest, during the period of delinquency, but in no event greater than the maximum rate permitted by applicable law.

This Lease is a net lease and the Lessee shall not be entitled to an abatement of rent or additional rents or setoff against or recoupment or reduction of rent or additional rent, including, but not limited to, abatements, setoffs, reductions or recoupments due or alleged to be due by reason of any past, present or future claims or counterclaims of the Lessee against the Lessor under this Lease. The Lessee's obligations hereunder, including its obligations to pay all rentals, additional rentals and other amounts hereunder, shall be absolute and unconditional under any and all circumstances, and this Lease shall not terminate, nor shall 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 or other restriction against the Lessee's use of all or any of the Units, the interference with such use by any person, the invalidity or unenforceability or lack of due authorization of this Lease, any insolvency of or any bankruptcy, reorganization or similar proceeding against the Lessee, or for any other cause whether similar or dissimilar to the foregoing, 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. Notwithstanding the foregoing, so long as no Event of Default exists hereunder, if Lessor or anyone lawfully claiming under or through Lessor shall actually interfere with Lessee's possession and use of any Unit and where such interference does not arise out of any action or failure to act of Lessee or breach by

lessee of any representation, covenant or agreement made herein, Lessee's obligation to pay that portion of the rent in excess of the amount necessary to pay debt service on any loan secured by this Lease shall abate for so long as such interference continues. THIS LEASE IS NON-CANCELABLE FOR ITS ENTIRE TERM.

3. Delivery and Acceptance of Units. Each Unit shall be sold and delivered to Lessor and accepted by Lessee under this Lease as are set forth on Exhibit C attached hereto. Immediately upon such delivery Lessee will execute and deliver to the Lessor a Certificate of Acceptance signed by a responsible officer of the Lessee or his designee acknowledging the acceptance of the Units by Lessee and the conformance of such Units to the requirements of the Interchange Rules of the Association of American Railroads, whereupon such Units shall be deemed to have been delivered to and accepted by the Lessee under this Lease and shall be subject thereafter to all of the terms and conditions of this Lease, and such Lessee's certificate shall be absolutely binding upon Lessee.

4. Maintenance and Repairs. The Lessee, at its own cost and expense, will maintain and service each Unit so that each Unit will remain (a) in as good operating condition as when delivered (ordinary wear and tear excepted); (b) in compliance with any and all applicable laws, statutes and regulations governing the use of the Unit by Lessee as they may from time to time be superseded, revised or amended; and (c) desirable to and suitable for immediate purchase or lease and use by a Class 1 line-haul railroad. In no event shall any Unit 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 the Lessee for similar equipment.

Any and all additions to Unit (other than those which are readily removable without damage to the Unit), and any and all parts installed on or replacements made to any Unit shall be considered accessions to such Unit and, without cost or expense to the Lessor, there shall immediately be vested in the Lessor the same interest in such accessions as the interest of the Lessor in such Unit. The Lessee may make alterations or modifications in any Unit so long as it does not affect the value of such Unit adversely.

5. Disclaimer of Warranties. LESSOR, NOT BEING THE MANUFACTURER OF THE UNITS, NOR THE MANUFACTURER'S AGENT, HEREBY EXPRESSLY DISCLAIMS AND MAKES TO LESSEE NO WARRANTY OR REPRESENTATION, EXPRESSED OR IMPLIED, OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO: THE FITNESS FOR USE, DESIGN OR CONDITION OF THE UNITS; THE

QUALITY OR CAPACITY OF THE UNITS; THE WORKMANSHIP IN THE UNITS; THAT THE UNITS WILL SATISFY THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO. IT BEING AGREED THAT ALL SUCH RISKS, AS BETWEEN LESSOR AND LESSEE, ARE TO BE BORNE BY LESSEE. LESSOR IS NOT RESPONSIBLE OR LIABLE FOR ANY DIRECT, INDIRECT OR CONSEQUENTIAL DAMAGE TO OR LOSSES RESULTING FROM THE INSTALLATION, OPERATION OR USE OF THE UNITS OR ANY UNIT. Lessor hereby acknowledges that any manufacturers and/or sellers warranties are for the benefit of both Lessor and Lessee. Lessee's acceptance of delivery of the Units shall be conclusive evidence as between Lessor and Lessee, that each Unit described in any Lessee's certificate sent pursuant to Section 3 above is in all of the foregoing respects satisfactory to the Lessee and the Lessee will not assert any claim of any nature whatsoever against Lessor based on all or any one of the foregoing matters.

6. Use of the Units. (a) Each Unit will be used in the ordinary course of Lessee's business and can be used only in the service and in a manner for which it was originally designed and built. The Units may not be used in revenue service after the Termination Date or the expiration of any renewal term without the prior written consent of Lessor.

(b) Lessee shall at all times be in compliance with all the prerequisites for maintenance of the insurance on the Units and for eligibility for the manufacturer's or builder's warranty benefits. The Units must be shopped at appropriate intervals, and all applicable mandated regulatory bulletins or orders must be complied with, including, without limitation, those from the Association of American Railroads ("AAR"), the Interstate Commerce Commission ("ICC"), Federal Railroad Administration ("FRA") and the Department of Transportation ("DOT"). Any such mandated compliance shall be at Lessee's expense. Lessee shall obtain at its expense all licenses and permits required for use or operation of the Units. All required tests and dates (COTS, etc.) will be in accordance with AAR requirements.

7. Use of Units in Canada. The Units shall be operated predominantly in the United States. Lessee agrees to take no action to jeopardize Lessor's ownership interest in the Units and to indemnify Lessor against any increased cost, expense, liability, or claim, including taxes, that may arise because of any use in Canada.

8. Filings. Lessee agrees to prepare and deliver to Lessor not less than thirty (30) days prior to the required date of filing (or, to the extent permissible, file on behalf of, and furnish a copy to, Lessor) any and all reports required to be filed by Lessor which are normally required for railroad lessors or which Lessor

has advised Lessee in writing on reasonable notice are required or requested to be filed with any federal, state or other regulatory authority by reason of the ownership by Lessor of the Units or the leasing of the Units to Lessee; provided, however, that Lessor shall be responsible for filing this Lease with (i) the ICC pursuant to 49 U.S.C. §11303 and (ii) the Canadian Registrar General pursuant to Section 90 of the Railway Act [Canada].

Lessee will cause each Unit to be kept numbered with its identifying number as set forth in Exhibit A hereto and all other markings and stenciling required by the Interchange Rules of the AAR, as the same may be amended from time to time. After the execution and delivery of a Certificate of Acceptance for any Unit, Lessee will not place that Unit in operation or exercise any control or dominion over the same until such words have been so marked on both sides thereof and will replace promptly any such words which may be removed, defaced or destroyed. Lessee, at its expense, will promptly correct any incorrect statement of ownership on any Unit. Lessee will not change, or permit to be changed, the number on any Unit, except in accordance with a statement of new numbers to be submitted therefor which previously shall have been filed with Lessor by the Lessee and filed, recorded or deposited in all public offices where this Lease will have been filed, recorded or deposited.

Each Unit may be lettered in an appropriate manner for convenience of identification of the interests of Lessee therein. Except as above provided, Lessee will not allow the name of any person, association or corporation to be placed on any of the Units as a designation which might be interpreted as a claim of ownership thereof.

9. Taxes and Other Assessments. Lessee shall be responsible for, and shall indemnify and hold Lessor harmless from, all taxes (including, without limitation, sales, use, excise, import, domestication, personal property, ad valorem, withholding stamp, documentary and other taxes or imposed in lieu of such taxes, but excluding any federal income taxes of Lessor or any state, local or foreign taxes imposed upon or measured by net income of Lessor or imposed in lieu of such taxes), license fees, assessments, charges, duties, fines and penalties resulting directly from any act or omission of Lessee, currently or hereafter levied or imposed by any state, local, federal or foreign authority (all such expenses, taxes, license fees, assessments, charges, fines, penalties, being hereinafter called "Assessments") upon or in connection with or measured by this Lease or any sale, rental, use, payment, shipment, delivery made pursuant to this Lease and will keep at all times all and every part of the Units free and clear of all Assessments (other than assessments which are not the responsibility of Lessee

pursuant to this Section 9) which might in any way affect the title of Lessor to any Unit or result in a lien upon any Unit. In the event any fines or penalties are a direct result of both an act or omission of Lessee and any other cause, the obligations of Lessee hereunder shall be determined by apportioning the applicable fines or penalties among the multiple causes based upon their respective percentage of causation. In the event that during the continuance of this Lease any reports with respect to Assessments involving the Units are required to be made, Lessee will either make such reports in such manner as to show the manner that shall be reasonably satisfactory to Lessor. Lessee shall, whenever requested by Lessor, submit to Lessor copies of returns, statements, reports, billings and remittances, or furnish other evidence satisfactory to Lessor of Lessee's performance of its duties under this Section 9. Lessee shall also furnish promptly on request all data as Lessor shall reasonably require to permit Lessor's compliance with the requirements of taxing jurisdictions.

To the extent that Lessee is prohibited by law from performing in its own name the duties required by this Section 9, and only to such extent, Lessor hereby authorizes Lessee to act in Lessor's name and on its behalf; provided, however, that Lessee shall indemnify and hold Lessor harmless from and against any and all claims, costs, expenses, damages, losses and liabilities incurred in connection therewith as a result of, or incident to, any action by Lessee pursuant to this authorization, other than those resulting from the negligence or willful misconduct of Lessor.

In the event that, during the continuance of this Lease, the Lessee shall become liable for the payment or reimbursement of any Assessments pursuant to this Section 9, such liability shall continue, notwithstanding the termination of this Lease, until such Assessments are paid or reimbursed by Lessee.

10. Indemnification. Except as otherwise provided in Sections 15 and 18 of this Lease, Lessee assumes liability for, and hereby agrees to indemnify, protect and keep harmless Lessor, its employees, agents, successors and assigns from and against any and all liabilities, obligations, losses, damages, injuries, claims, demands, penalties, actions, costs and expenses, (including negligence, tort and strict liability) and including reasonable attorney's fees, of whatsoever kind and nature, arising out of any breach of this Lease by Lessee, or arising out of the possession, use, condition, operation, ownership, selection, delivery, leasing or return of the Units or any Unit, regardless of where, how and by whom operated other than those arising from the gross negligence or willful misconduct of Lessor. The indemnities and assumptions of liabilities and obligations herein provided for shall continue in full force and effect notwithstanding the expiration or other

termination of this Lease. Lessee is an independent contractor and nothing contained in this Lease shall authorize Lessee or any other person to operate any of the Units so as to incur or impose any liability or obligation for or on behalf of Lessor.

Lessor shall not be liable for any loss of or damage to any commodities hauled by the Units. Lessee agrees to assume responsibility for, to indemnify Lessor against, and to hold Lessor harmless from, any claim in respect of such loss or damage and to assume responsibility for any damage caused to any Unit by such commodities.

11. Income Tax Indemnity. (a) Lessor has entered into this Lease on the assumptions that Lessor, as owner of the Units, will be entitled to such credits, deductions and other benefits as are currently provided by federal income tax laws and the regulations thereunder to an owner of property (the "Benefits"), including without limitation deductions for modified accelerated cost recovery depreciation ("MACRS") for "7-year property" as defined in Section 168 of the Internal Revenue Code of 1986, as amended (the "Code"). Lessee does not represent or warrant the accuracy of any of Lessor's tax assumptions. Lessor shall provide Lessee with the specific tax assumptions used by it. If Lessor, or any company consolidated with Lessor for tax purposes, shall lose, shall not have or shall lose the right to claim, or there shall be disallowed or recaptured, any portion of the Benefits with respect to any Units, and any related state income tax credit, deduction or other benefit, (a "Tax Loss") as a direct result, of any act or omission of Lessee, in its capacity as lessee, Lessee shall indemnify Lessor by payment, at Lessee's election, of either (i) additional rent during the remaining Term for the Unit so affected, or (ii) an immediate lump sum, in either case in an amount or amounts necessary, after deduction of all taxes required to be paid by Lessor with respect to the receipt thereof under the laws of any federal, state or local government or taxing authority, to permit Lessor to maintain the after-tax return on investment and annual after-tax cash flows, that Lessor would have realized with respect to such Unit ("Lessor's Return") had there not been a Tax Loss, together with the amount of any interest or penalties assessed by any government authority with respect to such Tax Loss. In the event any Tax Loss is a direct result of both an act or omission of Lessee and any other cause, the indemnity obligation of Lessee hereunder shall be determined by apportioning the Tax Loss among the multiple causes based upon their respective percentage of causation.

(b) Lessor shall immediately provide Lessee with written notice of any claim which might result in a potential Tax Loss in sufficient time for Lessee to contest such claim. Lessee shall

have the right, but not the obligation, to contest that Tax Loss on behalf of Lessor, utilizing counsel selected by Lessee and reasonably agreeable to Lessor, provided that (i) no Event of Default under Section 16(a) shall have occurred and be continuing and (ii) Lessee shall have acknowledged in writing its liability to indemnify Lessor with respect to such Tax Loss if the contest is unsuccessful and the claim is determined to have been the result of an act or omission of Lessee. Any such contest shall be at the sole cost and expense of Lessee and Lessee agrees to reimburse Lessor for all reasonable expenses incurred by Lessor in connection with any such contest. Lessee shall have no obligation to indemnify Lessor if Lessor does not provide Lessee with timely notice of any such claim and if as a result of Lessor's act or omission, Lessee is unable to effectively contest such claim. Lessee agrees not to contest a claim if Lessor requests it not to and Lessor has agreed in writing to waive indemnification with respect to that claim.

(c) In the event of any dispute relating to the amount payable to Lessor as a result of a Tax Loss, the accuracy of the computations by Lessor, using the underlying tax assumptions of Lessor originally provided to Lessee by Lessor, shall be verified by a lease intermediary firm jointly selected by Lessor and Lessee (the "Intermediary"). The Intermediary shall be requested to make its determination within thirty (30) days. If the Intermediary determines that the computations are incorrect, then the Intermediary shall determine what it believes to be the correct computations. Such determination shall be final, binding and conclusive upon Lessor and Lessee, and Lessee shall have no right to inspect the tax returns, books, records or other documents of or relating to Lessor in order to verify the basis or the accuracy of such computations for any other purpose. The expense of verification shall be borne by Lessee, unless such verification discloses an error adverse to Lessor in an amount in excess of five (5) basis points of the amount proposed by Lessor, in which case such expense shall be paid by Lessor.

12. Lessor's Performance of Lessee's Obligations. If Lessee shall fail to duly and promptly perform any of its obligations under this Lease with respect to the Units, Lessor shall have the option, but not the obligation, to perform any act or make any payment which Lessor deems necessary for the maintenance and preservation of the Units and Lessor's title thereto, including payments for satisfaction of liens, repairs, Assessments, levies and insurance and all sums so paid or incurred by Lessor, and any reasonable legal and accounting fees incurred by Lessor in connection therewith shall be additional rent under this Lease payable by Lessee to Lessor on demand. The performance of any act or payment by Lessor as aforesaid shall not be deemed a waiver or

release of any obligation or default on the part of the Lessee, and Lessee shall continue to be liable for any such performance or payment by Lessor notwithstanding the expiration or earlier termination of this Lease.

13. Insurance. Lessee agrees to include the Units in its current regular program of insurance as provided to Lessor but nothing in this Lease shall be deemed to require Lessee to change its insurance program or to take out separate insurance on the Units. Lessee will promptly notify Lessor of any material change in its insurance program. Lessee agrees that at all times, its regular program of insurance will be consistent with industry practice.

14. Risk of Loss. Except as otherwise provided in Sections 15 and 18 of this Lease, Lessee assumes all risk of loss, damage, theft, condemnation or destruction of the Units. No such loss, damage, theft, condemnation or destruction of the Units, or any Unit, in whole or in part, shall impair the obligations of Lessee under this Lease, all of which shall continue in full force and effect. Whenever any Unit shall be or become worn out, lost, stolen, destroyed or damaged, from ordinary use, neglect, abuse, fire, the elements or any other cause whatsoever, or taken or requisitioned by condemnation or otherwise (such occurrences being hereinafter called "Casualty Occurrences") during the Term of this Lease, or any renewal term, Lessee shall, promptly after it shall have been determined that such Unit has suffered a Casualty Occurrence, but in any event within thirty (30) days after such Casualty Occurrence or within such shorter times as may be required by any applicable rules or regulations of the AAR, notify Lessor in writing of such Casualty Occurrence. In the event any of the Units suffer a Casualty Occurrence, Lessee, at its sole option, shall either: (i) replace the affected Units with like equipment in good repair, condition and working order, in which case Lessor shall reimburse Lessee for the cost of such replacement to the extent of the recovery, if any, actually received by Lessor from insurance or otherwise for such Casualty Occurrence; or (ii) pay to Lessor an amount equal to the accrued rental for such Units to the rental payment date immediately following the Casualty Occurrence plus a sum equal to the stipulated loss value (the "Stipulated Loss Value") of such Units, determined in accordance with Exhibit E attached hereto as of the rental payment date immediately following the Casualty Occurrence less the amount of the recovery, if any, from or through Lessee actually received by Lessor from Lessee's insurance or otherwise for such Casualty Occurrence, in which case such Units shall thereafter be deleted from this Lease. The balance of any recovery received by Lessor from insurance or otherwise for such Casualty Occurrence shall belong solely to Lessor.

15. Annual Reports. On or before March 1 of each year during the Term of this Lease, or any renewal term, Lessee will furnish to Lessor, Lessee's certificate, as of the preceding December 31, (i) showing the amount, description and numbers of Units then leased hereunder and the amount, description and numbers of all Units that may have suffered a Casualty Occurrence during the preceding twelve (12) months (or since the Commencement Date in the case of the first such Lessee's certificate), and such other information regarding the condition and state of repair of the Units as Lessor may reasonably request, (ii) stating that, in the case of all Units repaired or repainted during the period covered thereby, the markings required by Section 8 hereof have been preserved or replaced, and (iii) containing all other information in the possession of Lessee that is required to be filed by Lessor which are normally filed by a railroad lessor or which Lessor has advised Lessee in writing are to be filed with any division of the AAR, the ICC, the DOT, or, any other federal, state, administrative, legislative, judicial or governmental body having jurisdiction in the matter. Lessee shall also provide to Lessor its annual financial statement within one hundred twenty (120) days of the end of Lessee's fiscal year. Lessor shall have the right, but not the obligation, by its authorized representative at reasonable times and upon reasonable prior notice to Lessee, and in such a manner as not to disrupt or interfere with the safe operation of Lessee's business, to inspect the Units, or a statistically representative sample of the Units, and the records of Lessee with respect thereto; provided, however, that in the event Lessor and Lessee are unable to agree to a reasonable time and/or reasonable prior notice for any inspection, Lessor shall have the right to conduct such inspection upon ten (10) business days prior notice to Lessee.

Lessor agrees to indemnify, protect and keep harmless Lessee, its employees, agents, successors and assigns from and against any and all liabilities, obligations, losses, damages, injuries, claims, actions, costs and expenses (including reasonable attorneys fees) for personal injuries or property damage arising out of Lessor's inspection of the Units pursuant to this Section 15 or Section 18 other than those resulting from the contributory negligence or willful misconduct of Lessee. In the event Lessor or Lessee are each contributorily negligent, any loss or liability shall be apportioned between them based upon the respective percentage of negligence.

16. Lessee Default. Lessee shall be in default under this Lease upon the happening of any of the following events or conditions (hereinafter referred to as "Events of Default") during the term of this Lease:

(a) If Lessee fails to pay any sum required to be paid hereunder on or before the due date and such failure continues for a period of five (5) business days after receipt of written notice from Lessor;

(b) If Lessee fails at any time to procure or maintain any insurance coverage required by this Lease;

(c) If Lessee fails to observe or perform any of the covenants, conditions and agreements on the part of Lessee to be observed or performed and contained herein (other than the payment of any sums required to be paid hereunder and other than the obligation to procure and maintain any insurance coverage required by this Lease) or any schedule or any supplement or rider hereto, and such default shall continue for thirty (30) days after receipt by Lessee of written notice of such default;

(d) if Lessee consents to the appointment of a receiver, trustee or liquidator of itself or of a substantial part of its property, or shall admit in writing its inability to pay its debts generally as they become due, or shall make a general assignment for the benefit of creditors, or shall file a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization in a proceeding under any bankruptcy law (now or hereafter in effect) or any answer admitting the material allegations of a petition filed against Lessee in any such proceedings, or Lessee shall by voluntary petition, answer or consent seek relief under the provisions of any now existing or future bankruptcy or other similar law providing for the reorganization or winding up of a business, of providing for an agreement, composition, extension or adjustment with its creditors;

(e) If an order, judgment or decree shall be entered by any court of competent jurisdiction appointing, without the consent of Lessee, a receiver, trustee or liquidator of Lessee or of any substantial part of its property or sequestering any substantial part of the property of Lessee, or granting any other relief in respect of Lessee under the federal bankruptcy laws, and any other such order, judgment or decree of appointment or sequestration shall remain in force undismitted, unstayed or unvacated for a period of sixty (60) days after the date of entry thereof;

(f) If a petition against Lessee in a proceeding under the federal bankruptcy laws or other similar insolvency laws (as now or hereafter in effect) shall be filed and shall not be withdrawn or dismissed within sixty (60) days thereafter, or if, under the provisions of any law providing for reorganization or winding up of corporations which may apply, to Lessee, any court of competent jurisdiction shall assume jurisdiction custody or control

of Lessee or of any substantial part of its property and such jurisdiction, custody or control shall remain in force unrelinquished, unstayed or unterminated for a period of sixty (60) days;

(g) If Lessee shall make or permit any unauthorized assignment or transfer of this Lease, the Units or any interest therein; or

(h) If any material representation or warranty of Lessee contained in this Lease shall prove to be materially untrue or incorrect and the interests of Lessor are adversely and materially affected thereby.

17. Lessor's Remedies. (a) Upon the occurrence of any one or more of the Events of Default specified in Section 16 above, and at any time thereafter (unless such Event of Default shall have been waived in writing by Lessor), Lessor may without any further notice exercise any one or more of the following remedies:

(i) Declare all unpaid Gross Rental due or to become due under this Lease (including any renewal term for which Lessee is obligated) to be immediately due and payable;

(ii) Terminate this Lease as to any or all Units without relieving Lessee of any of its obligations hereunder;

(iii) Cause Lessee, at its sole expense, to assemble and deliver the Units and promptly return the Units to Lessor in accordance with the terms and provisions of Section 18 hereof;

(iv) Use, hold, sell, lease or otherwise dispose of the Units or any Unit on the premises of Lessee or any other location without affecting the obligations of Lessee as provided in this Lease; provided, however, that Lessor shall not store any Units on Lessee's premises beyond the Lease expiration date plus the additional time specified in Section 18(a).

(v) Sell or lease the Units or any Unit at public auction or by private sale or lease at such time or times and upon such terms as Lessor may determine, free and clear of any rights of Lessee and, if notice thereof is required by law, any notice in writing of any such sale or lease by Lessor to Lessee not less than ten (10) days prior to the date thereof shall constitute reasonable notice thereof to Lessee;

(vi) Proceed by appropriate action either at law or in equity to enforce performance by Lessee of the applicable

covenants of this Lease or to recover damages for the breach thereof; or

(vii) Exercise any other right accruing to Lessor under any applicable law or in equity.

(b) If any Unit is sold, leased or otherwise disposed of pursuant to this Section 17, Lessee shall be liable to Lessor for and Lessor may recover from Lessee, as liquidated damages for the breach of this Lease, and not as a penalty, the amount by which the proceeds of such lease, sale, or other disposition is less than the sum of: (i) all due, unpaid and accrued Gross Rentals for such Unit; (ii) the present value of all future Gross Rental discounted to present value at a rate equal to the discount rate of the Federal Reserve Bank of San Francisco; (iii) the value of such Unit as of the date of the sale, lease or other disposition as determined by an independent appraiser to be appointed by Lessor; (iv) an amount equal to accrued Assessments and other amounts payable hereunder by Lessee with respect to such Unit (excluding any Base Rental); and (v) all costs, expenses, losses and damages incurred or sustained by Lessor by reason of such default including, without limitation, attorneys' fees and appraisal fees. If on the date of termination or repossession pursuant to this Section 17, any Unit is damaged, lost, stolen or destroyed, or subject to any levy, seizure, assignment, application or sale for or by any creditor or governmental agency, Lessee shall remain liable for the damages set forth in this Section 17(b), less the amount of the recovery, if any, actually received by Lessor from Lessee's insurance or otherwise from or through Lessee in connection therewith.

(c) No right to remedy conferred on or reserved to Lessor by this Lease shall be exclusive of any other right or remedy herein or by law provided. All rights and remedies of Lessor conferred on Lessor by this Lease or by law shall be cumulative and in addition to every other right and remedy available to Lessor. No failure on the part of Lessor to exercise and no delay in exercising any right or remedy hereunder shall operate as a waiver thereof unless specifically waived by Lessor in writing; nor shall any single or partial exercise by the Lessor of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy.

(d) In the event that Lessor shall bring any action, proceeding, or suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such action, proceeding or suit Lessor may recover reasonable expenses, including attorneys' fees, and the amount thereof shall be included in such judgment. In the event that Lessor has incurred any expenses and attorneys

fees in the enforcement of any of its rights hereunder without having brought any action, proceeding or suit to so enforce any such right, then Lessor may recover from Lessee any reasonable expenses and attorney's fees so incurred.

(e) Promptly after Lessee has notice of any event that has occurred and is continuing which would constitute an Event of Default but for the requirement that notice be given or a time elapsed or both, Lessee shall give written notice thereof to Lessor.

18. Return of Units. (a) At the expiration of this Lease, or at the direction of Lessor pursuant to Section 17 of this Lease, Lessee shall forthwith deliver possession of the Units to the Lessor. Each Unit returned to the Lessor pursuant to this Section 18 shall (i) be in the same repair and condition as when originally manufactured, reasonable wear and tear since the date of manufacture excepted and (ii) meet the standards then in effect under the Interchange Rules of the AAR, the ICC, the DOT, and any other legislative, administrative, judicial regulatory or governmental body having jurisdiction in the matter. For the purpose of delivering possession of the Units to the Lessor as above required, the Lessee will, at the request of the Lessor, deliver possession of such Units to the Lessor at such location on the lines of any railroad operated by Lessee or any of its affiliates or to any connecting carrier for shipment which the Lessor may reasonably designate within the United States and permit the Lessor to store such Units on such tracks owned or operated by Lessee which are designated by Lessee and reasonably agreeable to Lessor and which are reasonably accessible for a period of at least one hundred twenty (120) days following notification to the Lessor by the Lessee that all the Units have been assembled and delivered for storage (the "Storage Period"). The movement of such Units into and out of storage and the storage of such Units shall be at the expense and risk of loss of the Lessee (including any and all required insurance); provided, however, that upon expiration of the Storage Period, Lessor shall pay to Lessee a reasonable fair market value per diem rent for any additional storage time and an appropriate fee to cover reasonable additional expenses incurred by Lessee in connection with any inspection, billed on a monthly basis. During any storage period, the Lessee will, at its own expense, maintain and keep the Units in the condition required pursuant to Section 18(b)(1), excluding any mandated modifications, subject to the provisions of Section 15, and will permit the Lessor or any person designated by it, including the authorized representatives of any prospective purchaser, lessee or user of any such Unit, to inspect the same.

(b) Upon the return of the Units by Lessee to Lessor, the Units shall meet the following minimum return conditions:

(1) Generally. The Units will be returned to the Lessor complete, as when new, in good operating order and repair, reasonable wear and tear since original manufacture excepted. All Units must be capable of pulling its rated load per manufacturer's specifications as when delivered new. All Units must be capable of performing the function for which they were originally intended. Missing, broken, cracked, or non-functioning equipment or parts will be replaced at Lessee's expense.

(2) Engines and Engine Components: The Lessee will repair any major component failure including but not limited to crankshaft, turbocharger (if applicable), power assemblies, and engine gear trains. Each Unit must pass a load test to ensure the Unit can pull its rated load per manufacturer's specifications. The engine must not have excessive smoking or leaking indicative of a material mechanical deficiency.

(3) Generator and Alternator: The generator and alternator must be in AAR and FRA condition and must be capable of performing the function for which the manufacturer intended.

(4) Traction Motors: Each traction motor must be in AAR and FRA condition and must be capable of performing the function for which the manufacturer intended.

(5) Air Compressor: Each air compressor must be in AAR and FRA condition and must be capable of performing the function for which the manufacturer intended and must maintain its rated pressure.

(6) Exterior surface: Prior to return, any areas of the exterior surface which suffer excessive rust or corrosion, must be sanded, primed, rust-proofed, and painted in a manner acceptable to Lessor or consistent with industry standards.

(7) Wheels & Trucks: Wheels and trucks must be in acceptable AAR and FRA condition, less normal wear and tear. Lessee shall be responsible for all material and labor required for wheel truing and replacement. Trucks must be fully functional and free of any cracking or structural damage. No part of body or truck shall be less than 2-3/4 inches above top of running rail under all allowable wear and spring deflection conditions.

(8) Couplers. Locomotives must be equipped with AAR-approved couplers identified by "AAR" and with AAR-approved coupler parts, and must be capable of performing the job for which they

were originally intended. (i.e. must be capable to perform coupling function.) No excessive wear may be present.

(9) Hoses, Lines, Brakeshoes. All hoses, lines, brakes, dynamic braking systems, and fluid systems, must be intact and fully functional. "AB", "ABD" or "ABDW" equipment shall be required on all Units. Units must be equipped with brake beams of no less capacity than AAR No. 15.

(10) Reporting Marks. All reporting marks and equipment dimensions must be clearly displayed. New stenciling will be performed as needed and as required by law or regulation, or at the request of Lessor. Prior to the return of any Unit of Equipment hereunder, the Lessee shall, at Lessor's expense, (i) re-mark such Equipment to delete the Lessee's or any permitted sublessee's reporting marks and numbers and replace them with other reporting marks as requested by Lessor, and (ii) make all appropriate filings with the ICC and the AAR to reflect such re-markings; provided that any Units of Equipment shall be marked by Lessee at its expense in accordance with industry practice to provide for delivery to the final destination of the Unit.

(c) If any Unit is damaged or fails to meet the standards set forth above or if the Lessee fails to discharge its obligations herein or otherwise in this Lease, Lessee agrees at its option to (i) pay on demand all costs and expenses incurred in connection with the repairing of the Unit and its assembly or delivery to Lessor in accordance herewith or (ii) repair the Unit in its own facility at its own cost and expense provided such repair shall be completed within a reasonable period of time. The Lessee shall pay, to the Lessor for each day from the date of the termination of the Lease for such Unit to the date such Unit is repaired and returned to Lessor in accordance herewith or placed in storage, an amount equal to 1/30th of the monthly rental for such Unit.

19. Representations and Warranties of Lessee. Lessee hereby represents and warrants to Lessor that on the date hereof:

(a) Lessee has adequate power and capacity to enter into, and perform under, this Lease and all related documents, including, but not limited to, each Bill of Sale (together, the "Documents") and is duly qualified to do business wherever necessary to carry on its present business and operations, including the jurisdiction(s) where the Units are or are to be located.

(b) The Documents have been duly authorized, executed and delivered by Lessee and constitute valid, legal and binding agreements, enforceable in accordance with their terms, except to

the extent that the enforcement of remedies therein provided may be limited under applicable bankruptcy and insolvency laws.

(c) No approval, consent or withholding of objections is required from any governmental authority or instrumentality with respect to the entry into or performance by Lessee of the Documents.

(d) The entry into and performance by Lessee of the Documents will not: (i) violate any judgment, order, law or regulation applicable to Lessee or any provision of Lessee's Certificate of Incorporation or By-Laws; or (ii) result in any breach of, constitute a default under or result in the creation of any lien, charge, security interest or other encumbrance upon any Unit pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument (other than this Lease) to which Lessee is a party.

(e) There are no suits or proceedings pending or threatened in court or before any commission, board or other administrative agency against or affecting Lessee, which will have a material adverse effect on the ability of Lessee to fulfill its obligations under this Lease.

(f) Lessee is and will be at all times validly existing and in good standing under the laws of the state of its incorporation.

(g) Lessee owns the Units and each Bill of Sale, when executed and delivered by Lessee, will convey to Lessor good and marketable title to the Units specified therein, free and clear of all liens and encumbrances.

(h) The Units are (i) in good and operable condition, (ii) in compliance with the current standards under the Interchange Rules of the AAR, the FRA, the ICC, the DOT and any other legislative, administrative, judicial regulation, or governmental body having jurisdiction in the matter, and (iii) suitable for immediate purchase or lease and use by a Class 1 line-haul railroad.

20. Representations and Warranties of Lessor. Lessor hereby represents and warrants to Lessee that on the date hereof:

(a) Lessor has adequate power and capacity to enter into, and perform under, this Lease and all related documents (together, the "Documents") and is duly qualified to do business wherever necessary to carry on its present business and operations,

including the jurisdiction(s) where the Units are or are to be located.

(b) The Documents have been duly authorized, executed and delivered by Lessor and constitute valid, legal and binding agreements, enforceable in accordance with their terms, except to the extent that the enforcement of remedies therein provided may be limited under applicable bankruptcy and insolvency laws.

(c) No approval, consent or withholding of objections is required from any governmental authority or instrumentality with respect to the entry into or performance by Lessor of the Documents.

(d) The entry into and performance by Lessor of the Documents will not: (i) violate any judgment, order, law or regulation applicable to Lessor or any provision of Lessor's Agreement of Limited Partnership; or (ii) result in any breach of or constitute a default under of pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which Lessor is a party.

(e) There are no suits or proceedings pending or threatened in court or before any commission, board or other administrative agency against or affecting Lessor, which will have a material adverse effect on the ability of Lessor to fulfill its obligations under this Lease.

(f) Lessor is and will be at all times validly existing and in good standing under the laws of the state of its organization.

21. Notices. Any notice required or permitted to be given by either party hereto to the other shall be in writing and shall be deemed given when sent by (a) United States Certified or Registered Mail, Return Receipt Requested, postage prepaid, (b) facsimile to the number set forth below or (c) overnight delivery service addressed as follows:

TO LESSOR:           ATEL Cash Distribution Fund VI, L.P.  
                          235 Pine Street, 6th Floor  
                          San Francisco, CA 94014  
                          Attention: Dean Cash  
                          Fax No.: (415) 989-3796

TO LESSEE: Consolidated Rail Corporation  
2001 Market Street, Suite 25-A  
P.O. Box 41425  
Philadelphia, PA 19101-1425  
Attention: Thomas J. McGraw  
Director - Finance  
Fax No.: (215) 209-5346

or at such other place as the parties hereto may from time to time designate by notice, each to the other. If the term "Lessee" as used in this Lease refers to more than one person or entity, any notice, consent, approval, request, bill, demand or statement given as aforesaid to any one of such persons or entities shall be deemed to have been duly given to Lessee.

22. Renewal Option. (a) So long as no Event of Default exists hereunder and this Lease has not been terminated, Lessee shall have the option at the expiration of the Term of this Lease, on not less than one hundred eighty (180) days prior written notice to Lessor, to extend the term of this Lease with respect to all of the Units (or at Lessee's option, increments of twenty-five (25) Units) for an additional period of one (1) or two (2) years (at Lessee's option) for the Fair Rental Value of the Units not to exceed the Base Rental. In the event Lessee exercises this renewal option, the written notice to Lessor shall specify the additional term Lessee has selected.

(b) In the event Lessee proposes to exercise its renewal option (subject to a determination of Fair Rental Value), Lessee shall give Lessor a written notice (the "Preliminary Renewal Notice"), not less than two hundred seventy (270) days prior to the expiration of the Term of this Lease. The Preliminary Renewal Notice shall specify the number of Units and additional term Lessee intends to select but shall not obligate the Lessee to exercise the renewal option. Promptly upon receipt of the Preliminary Renewal Notice, Lessor and Lessee shall determine the Fair Rental Value in accordance with Section 22(c).

(c) "Fair Rental Value" shall mean the amount not to exceed the Base Rental which a willing lessee would pay to lease the Units in an arm's-length transaction under no compulsion to lease; provided, however, that in such determination: (i) the Units shall be assumed to be in the condition in which they are required to be maintained and returned under this Lease; and (ii) costs of removal from current location shall not be a deduction from such valuation.

23. Purchase Option. (a) So long as no Event of Default exists hereunder and this Lease has not been terminated, Lessee

shall have the option at the expiration of the term or any renewal term, on not less than one hundred eighty (180) days prior written notice to Lessor, to purchase the Units (or at Lessee's option, increments of twenty five (25) Units) on an AS IS BASIS for a price equal to the Fair Market Value of the Units purchased (plus all applicable taxes). In the event Lessee exercises this purchase option, the written notice to Lessor shall identify the Units to be purchased and that election shall be binding upon Lessee.

(b) In the event Lessee intends to exercise its purchase option (subject to a determination of Fair Market Value), Lessee shall give Lessor a written notice (the "Preliminary Purchase Notice"), not less than two hundred seventy (270) days prior to the expiration of the Term of this Lease or any renewal term. The Preliminary Purchase Notice shall identify the Units to be purchased but shall not obligate the Lessee to exercise the purchase option. Promptly upon receipt of the Preliminary Purchase Notice, Lessor and Lessee shall determine upon the Fair Market Value in accordance with Section 23(c).

(c) "Fair Market Value" shall mean the price which a willing buyer (who is neither a lessee in possession nor a used equipment dealer) would pay for the Units in an arm's-length transaction to a willing seller under no compulsion to sell; provided, however, that in such determination: (i) the Units shall be assumed to be in the condition in which they are required to be maintained and returned under this Lease; and (ii) costs of removal from current location shall not be a deduction from such valuation.

24. Invalid Provisions. 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.

25. Miscellaneous Provisions. (a) This Lease exclusively and completely states the rights of the Lessor and the Lessee with respect to the Units and supersedes all other agreements, oral or written, with respect to the Units. 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 Lessor and Lessee.

(b) 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.

(c) The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of New York; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. §11303 and such additional rights arising out of the filing, recording or depositing hereof and of any assignment hereof or out of the marking on the Units as shall be conferred by the laws of the several jurisdictions in which this Lease or any assignment hereof shall be filed, recorded or deposited or in which any Unit may be located.

(d) Lessee may not assign, transfer pledge, hypothecate or otherwise dispose of this Lease or any interest herein, or sublet any of the Units for more than six (6) months without Lessor's prior written consent provided, however, that no consent shall be required for an assignment or sublease to an affiliate of Lessee but further provided that no such assignment or sublease shall relieve Lessee of its obligations under this Lease.

(e) Lessor may assign this Lease (i) to any affiliate or non-recourse lender without the consent of Lessee, (ii) to any other assignee with the consent of Lessee, which consent will not be unreasonably withheld or delayed or (iii) to any other assignee without the consent of Lessee provided that Lessor shall represent to Lessee that any such assignment shall not modify the rights and/or obligations of Lessee under this Lease. Lessee agrees that if Lessee receives written notice of an assignment from Lessor, Lessee will pay all rent and other amounts payable under the Lease to such assignee or as instructed by Lessor. Lessee further agrees to confirm in writing receipt of a notice of assignment and to execute such other documents as may be reasonably requested by any assignee. Lessee hereby waives and agrees not to assert against any such assignee any defense, set-off, recoupment claim or counterclaim which Lessee has or may at any time have against Lessor for any reason whatsoever, except for any right to a partial rent abatement under Section 2.

(f) Nothing contained herein shall give or convey to Lessee any right, title or interest in and to the Units leased hereunder except as a Lessee thereof, and the Units are and shall at all times be and remain the sole and exclusive property of Lessor.

(g) Any cancellation, termination or assignment of this Lease by Lessor or Lessee pursuant to the terms and provisions hereof, or any schedule, supplement, rider or amendment hereto, or any termination of the Term by lapse of time, shall not release Lessor or Lessee from any then outstanding obligations and/or duties to Lessor or Lessee hereunder.

(h) To the extent there exists any conflict between the terms and provisions of this Lease and the terms and provisions of the Interchange Rules of the AAR, this Lease shall control.

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

LESSOR:

ATEL Cash Distribution Fund VI,  
L.P., a California Limited  
Partnership

By: ATEL Financial Corporation,  
General Partner

By: *F Randall B*

Name: F RANDALL BIGONZ

Title: SUP & CFO

LESSEE:

CONSOLIDATED RAIL CORPORATION

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

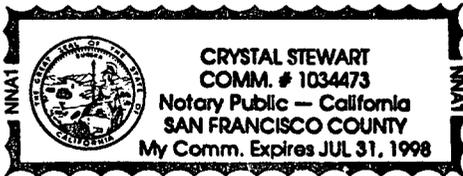
STATE OF CALIFORNIA }

ss.

COUNTY OF SAN FRANCISCO }

On September 28, 1995, before me, the undersigned officer, personally appeared F. Randall Bigony, personally known to me to be the person whose name is subscribed to this instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



(Notarial Seal)

*Crystal Stewart*  
\_\_\_\_\_  
Notary Public

My Commission expires: July 31, 1998

(g) Any cancellation, termination or assignment of this Lease by Lessor or Lessee pursuant to the terms and provisions hereof, or any schedule, supplement, rider or amendment hereto, or any termination of the Term by lapse of time, shall not release Lessor or Lessee from any then outstanding obligations and/or duties to Lessor or Lessee hereunder.

(h) To the extent there exists any conflict between the terms and provisions of this Lease and the terms and provisions of the Interchange Rules of the AAR, this Lease shall control.

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

LESSOR:

ATEL Cash Distribution Fund VI,  
L.P., a California Limited  
Partnership

By: ATEL Financial Corporation,  
General Partner

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

LESSEE:

CONSOLIDATED RAIL CORPORATION

By: Thomas J. McGraw

Name: Thomas J. McGraw

Title: Director - Financing

COMMONWEALTH OF PENNSYLVANIA )  
 ) ss.  
COUNTY OF PHILADELPHIA )

The foregoing instrument was acknowledged before me this 29  
day of September 1995, by Thomas S. McGraw, the \_\_\_\_\_  
Director - Financing \_\_\_\_\_ of Consolidated Rail  
Corporation, a Pennsylvania corporation, on behalf of the  
corporation.

*Suzanne J. Rossomando*  
Notary Public

NOTARIAL SEAL  
Suzanne J. Rossomando, Notary Public  
City of Philadelphia, Phila. County  
My Commission Expires June 28, 1999

EXHIBIT A

DESCRIPTION OF UNITS

<u>TYPE</u>	<u>BUILDER</u>	<u>QUANTITY</u>	<u>LESSEE'S IDENTIFICATION NUMBERS (INCLUSIVE)</u>
3000 H.P. Model SD40-2 Diesel Electric Locomotives	General Motors Corporation (Electro- Motive Division)	63	CR 6441 - CR 6503

EXHIBIT B

BILL OF SALE

Consolidated Rail Corporation (the "Seller"), in consideration Twenty Two Million Two Hundred Seventy Nine Thousand Sixty Eight Dollars and 00/100 Cents (\$22,279,068.00) paid by ATEL Cash Distribution Fund VI, L.P., a California limited partnership (the "Buyer"), receipt of which is acknowledged, hereby grants, sells, assigns, transfers and delivers to Buyer the GM-EMD SD40-2 and related equipment (the "Equipment") described in Exhibit A attached hereto along with whatever claims and rights Seller may have against the manufacturer and/or supplier of the Equipment (the "Supplier"), including but not limited to all warranties and representations.

Buyer is purchasing the Equipment for leasing back to Seller pursuant to a Railroad Equipment Lease dated as of September 29, 1995 (the "Lease"). Seller represents and warrants to Buyer that (1) Buyer will acquire by the terms of this Bill of Sale good title to the Equipment free from all liens and encumbrances whatsoever, (2) Seller has the right to sell the Equipment, and (3) the Equipment has been delivered by Seller in good order and condition, and conforms to the specifications, requirements and standards applicable thereto including, but not limited to the Interchange Rules of the Association of American Railroads, the Federal Railroad Administration, the Interstate Commerce Commission and the Department of Transportation.

IN WITNESS WHEREOF, Seller has executed this Bill of Sale as of this 29th day of September, 1995.

SELLER:

CONSOLIDATED RAIL CORPORATION

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT C

ACCEPTANCE CERTIFICATE

I, the duly authorized representative of the Consolidated Rail Corporation ("Lessee") under the Lease of Railroad Equipment, dated September 29, 1995 (the "Lease"), do certify that I accepted delivery thereunder of the following Units of Equipment:

TYPE OF LOCOMOTIVE: EMD SD40-2 Diesel Electric Locomotive

DATE ACCEPTED:

NUMBER OF UNITS:

MARKED: Conrail

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.

---

Authorized Representative of Lessee

EXHIBIT D

BASE RENTAL

Ten (10) semi-annual payments in arrears at a lease rate factor of 7.4787% times the aggregate original equipment cost of \$22,279,068 [63 Units times cost of \$353,636 per Unit].

EXHIBIT E

STIPULATED LOSS VALUES

<u>Payment Number</u>	<u>Stipulated Loss Value- Percentage of Cost</u>
1	109.18
2	106.26
3	103.12
4	99.72
5	96.09
6	92.24
7	88.19
8	83.95
9	79.51
10	75.03
Unit Cost	\$353,636
Aggregate Cost	\$22,279,068