

RECORDATION NO. 18133/B FILED 1425

FEB 26 1993 10-80 AM

[EXECUTION COPY]

INTERSTATE COMMERCE COMMISSION

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LEASE SUPPLEMENT NO. 1 (CONRAIL 1993-B)

Between

ERIE LOCOMOTIVE LEASE CO., LTD.,  
as Lessor

and

CONSOLIDATED RAIL CORPORATION,  
as Lessee

Three General Electric Dash 8-40CW  
Diesel Electric Locomotives

and

Fourteen General Motors Corporation (Electro-Motive Division)  
Model SD60M Diesel Electric Locomotives

Dated as of February 26, 1993

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CERTAIN RIGHTS, TITLE AND INTEREST IN AND TO THIS LEASE SUPPLEMENT NO. 1 AND TO THE ITEMS OF EQUIPMENT COVERED HEREBY ON THE PART OF ERIE LOCOMOTIVE LEASE CO., LTD. HAVE BEEN ASSIGNED TO AND ARE SUBJECT TO A LIEN AND SECURITY INTEREST IN FAVOR OF U.S. TRUST COMPANY OF CALIFORNIA, N.A., AS INDENTURE TRUSTEE UNDER A TRUST INDENTURE AND SECURITY AGREEMENT (CONRAIL 1993-3) DATED AS OF FEBRUARY 26, 1993. TO THE EXTENT, IF ANY, THAT THIS LEASE SUPPLEMENT NO. 1 CONSTITUTES CHATTEL PAPER (AS SUCH TERM IS DEFINED IN THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN ANY APPLICABLE JURISDICTION), NO SECURITY INTEREST IN THIS LEASE SUPPLEMENT NO. 1 MAY BE CREATED THROUGH THE TRANSFER OR POSSESSION OF ANY COUNTERPART OTHER THAN THE ORIGINAL COUNTERPART THAT CONTAINS THE RECEIPT THEREFOR EXECUTED BY U.S. TRUST COMPANY OF CALIFORNIA, N.A., AS INDENTURE TRUSTEE, ON OR IMMEDIATELY FOLLOWING THE SIGNATURE PAGE THEREOF.

LEASE SUPPLEMENT NO. 1 (CONRAIL 1993-B), dated February 26, 1993, between ERIE LOCOMOTIVE LEASE CO., LTD., a corporation formed under the laws of the Cayman Islands ("Lessor"), and CONSOLIDATED RAIL CORPORATION, a Pennsylvania corporation ("Lessee").

WITNESSETH:

WHEREAS, Lessor and Lessee have heretofore entered into that certain Lease Agreement (Conrail 1993-B), dated as of February 26, 1993 (herein called the "Lease Agreement"). All capitalized terms used herein without definition shall have the meanings specified in Appendix X 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 three General Electric Dash 8-40CW Diesel Electric Locomotives bearing Lessee's road numbers 6153 through 6155 inclusive, and fourteen General Motors Corporation (Electro-Motive Division) Model SD60M Diesel Electric Locomotives, bearing Lessee's road numbers 5516 through 5529 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. Lessor's Cost for each GE Item of Equipment is \$1,510,720 and Lessor's Cost for each GM Item of Equipment is \$1,425,881. The aggregate Lessor's Cost for all of the Items of Equipment is \$24,494,494.

4. The Term for the Items of Equipment shall commence on the Delivery Date and, except as otherwise provided in the Lease Agreement, 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 thereof, or any subcontractor or supplier of such Manufacturer, under the relevant Purchase Agreement or otherwise.

6. Lessee hereby confirms its agreement to pay Lessor, in accordance with the terms of Section 3 of the Lease Agreement, Rent for the Items of Equipment throughout the Term therefor in accordance with Section 3 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.

10. The parties hereto agree that certain rights, title and interest of Lessor in and to this Lease Supplement No. 1 and to the Items of Equipment have been assigned to and are subject to a lien and security interest in favor of U.S. Trust Company of California, N.A., as Indenture Trustee, under the Indenture. To the extent, if any, that this Lease constitutes chattel paper (as such term is defined in the Uniform Commercial Code as in effect in any applicable jurisdiction), no security interest in this Lease Supplement No. 1 may be created through the transfer or possession of any counterpart other than the original counterpart that contains the receipt therefor executed by U.S. Trust Company of California, N.A., as Indenture Trustee, on or immediately following the signature page hereof.

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

ERIE LOCOMOTIVE LEASE CO., LTD.

By: F. J. Blaustein  
Name: F. Jan Blaustein  
Title: President

LESSEE

CONSOLIDATED RAIL CORPORATION

By: Thomas J. McGraw  
Name: Thomas J. McGraw  
Title: Director - Financing



OFFICE OF THE  
ATTORNEY GENERAL  
STATE OF CALIFORNIA  
SAN FRANCISCO OFFICE  
JAN 15 1968



MEMORANDUM FOR THE RECORD  
SUBJECT: [Illegible]  
DATE: [Illegible]



CERTIFICATE OF NOTARY PUBLIC

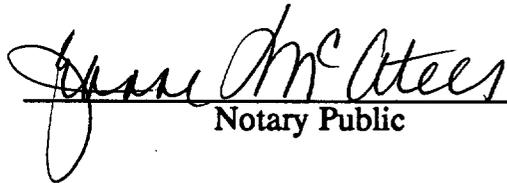
COMMONWEALTH OF PENNSYLVANIA:

COUNTY OF PHILADELPHIA

SS  
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I am a notary public in the Commonwealth of Pennsylvania and I have compared the attached copy with the original and have found the copy to be complete and identical in all respects to the original.

(NOTARIAL SEAL)

  
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Notary Public

My Commission Expires:

Notarial Seal  
Jeanne McAteer, Notary Public  
Philadelphia, Philadelphia County  
My Commission Expires June 10, 1996  
Member, Pennsylvania Association of Notaries

