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MORGAN, LEWIS & BOCKIUS

RECORDATION NO. FILED 1425

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July 31, 1990

0-213A013

Ms. ~~INTERSTATE~~ Meta R. McGee
Secretary
Interstate Commerce Commission
Washington, DC

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

Dear Ms. McGee:

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

The enclosed primary document is:

Lease Agreement, dated as of July 31, 1990, between NBB Allentown Lease Co., Ltd., as lessor, and Consolidated Rail Corporation, as lessee.

The enclosed secondary documents are:

- (1) Lease Supplement No. 1, dated as of July 31, 1990, between NBB Allentown Lease Co., Ltd., as lessor, and Consolidated Rail Corporation, as lessee. The primary document to which this Lease Supplement is connected is being submitted for recording concurrently herewith.
- (2) Assignment Agreement, dated as of July 31, 1990, between Consolidated Rail Corporation, as assignor, and NBB

Handwritten notes and signatures in the bottom left corner.

Ms. Noreta R. McGee
July 31, 1990
Page 2

Allentown Lease Co., Ltd., as assignee. The primary document to which this Assignment Agreement is connected is being submitted for recording concurrently herewith.

- (3) Mortgage, Assignment and Security Agreement, dated as of July 31, 1990, between NBB Allentown Lease Co., Ltd., as mortgagor, and Barclays Bank PLC, Tokyo Branch, as mortgagee. The primary document to which this Mortgage is connected is being submitted for recording concurrently herewith.
- (4) Bank Security Agreement, dated as of July 31, 1990, between NBB Allentown Lease Co., Ltd., as debtor, and Barclays Bank PLC, Tokyo Branch, as secured party. The primary document to which this Bank Security Agreement is connected is being submitted for recording concurrently herewith.

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

Lease Agreement

Lessor:
NBB Allentown 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

Ms. Noreta R. McGee
July 31, 1990
Page 3

Lease Supplement

Lessor:
NBB Allentown 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

Assignment Agreement

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

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

Mortgage, Assignment and Security Agreement

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

Agent:
Barclays Bank PLC,
Tokyo Branch
CPO Box 466
Tokyo 100-91, Japan

Ms. Noreta R. McGee
July 31, 1990
Page 4

Bank Security Agreement

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

Secured Party:
Barclays Bank PLC,
Tokyo Branch
CPO Box 466
Tokyo 100-91, Japan

The description of the equipment covered by the aforesaid Lease, Lease Supplement and Assignment is as follows:

Twenty-five (25) General Electric Dash 8-40CW 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 ALLENTOWN LEASE CO., LTD., THE LESSOR, WHICH HAS LEASED THIS LOCOMOTIVE TO CONSOLIDATED RAIL CORPORATION AND SUCH TITLE IS SUBJECT TO A MORTGAGE IN FAVOR OF BARCLAYS BANK PLC, AS AGENT" and bearing the road numbers 6050 through 6074 inclusive.

Included in the property covered by the Mortgage, Assignment and Security Agreement are twenty-five (25) General Electric Dash 8-40CW diesel electric locomotives and all additions, alterations and modifications thereto or replacements thereof and certain rights of NBB Allentown Lease Co., Ltd. in the Lease Agreement dated as of July 31, 1990 between NBB Allentown Lease Co., Ltd., as lessor, and

MORGAN, LEWIS & BOCKIUS

Ms. Noreta R. McGee
July 31, 1990
-Page 5

Consolidated Rail Corporation, as lessee, and the Assignment Agreement, dated as of July 31, 1990, between Consolidated Rail Corporation, as assignor, and NBB Allentown Lease Co., Ltd., as assignee.

Included in the collateral covered by the Bank Security Agreement are certain payments to be made in U.S. Dollars by Consolidated Rail Corporation, as lessee, to NBB Allentown Lease Co., Ltd., as lessor, in respect of twenty-five (25) General Electric Dash 8-40CW diesel electric locomotives.

A fee of Sixty Dollars (\$60.00) 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 each of the documents to appear in the index follows:

- 1) Lease Agreement:
Lease Agreement between NBB Allentown Lease Co., Ltd., as lessor, 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 July 31, 1990, covering twenty-five (25) General Electric Dash 8-40CW diesel electric locomotives bearing road numbers 6050 through 6074 inclusive.
- 2) Lease Supplement No. 1:
Lease Supplement No. 1 between NBB Allentown Lease Co., Ltd., as lessor, 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,

Ms. Noreta R. McGee
July 31, 1990
Page 6

Philadelphia, Pennsylvania, 19103, dated as of July 31, 1990 covering twenty-five (25) General Electric 8-40CW diesel electric locomotives bearing road numbers 6050 through 6074 inclusive.

- 3) Assignment Agreement:
Assignment between Consolidated Rail Corporation, as assignor, 6 Penn Center Plaza, Philadelphia, Pennsylvania, 19103 and NBB Allentown Lease Co., Ltd., assignee, 1-12-11 Nihonbashi, Chuo-ku, Tokyo 103, Japan, dated as of July 31, 1990 relating to the purchase of twenty-five (25) General Electric 8-40CW diesel electric locomotives bearing road numbers 6050 through 6074 inclusive.
- 4) Mortgage, Assignment and Security Agreement:
Mortgage, Assignment and Security Agreement dated as of July 31, 1990 between NBB Allentown Lease Co., Ltd., as mortgagor, 1-12-11 Nihonbashi, Chuo-ku Tokyo 103, Japan and Barclays Bank PLC, Tokyo Branch CPO Box 466, Tokyo 100-91, Japan, securing mortgagor's obligations relating to twenty-five (25) General Electric Dash 8-40CW diesel electric locomotives.

RECORDATION NO. 16947/A FILED 1425

AUG 1 1990 -2 30 PM

INTERSTATE COMMERCE COMMISSION

[EXECUTION COPY]

LEASE SUPPLEMENT NO. 1

Between

NBB ALLENTOWN LEASE CO., LTD.,
as Lessor

and

CONSOLIDATED RAIL CORPORATION,
as Lessee

Twenty-five General Electric Dash 8-40CW
Diesel Electric Locomotives

Dated as of July 31, 1990

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 NBB ALLENTOWN LEASE CO., LTD. HAVE BEEN ASSIGNED TO AND ARE SUBJECT TO A LIEN AND SECURITY INTEREST IN FAVOR OF BARCLAYS BANK PLC, AS AGENT, UNDER A MORTGAGE, ASSIGNMENT AND SECURITY AGREEMENT AND A BANK SECURITY AGREEMENT, EACH DATED AS OF JULY 31, 1990. 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 BARCLAYS BANK PLC, AS AGENT, ON OR IMMEDIATELY FOLLOWING THE SIGNATURE PAGE THEREOF.

LEASE SUPPLEMENT NO. 1, dated July 31, 1990, between NBB ALLENTOWN LEASE CO., LTD., a corporation formed under the laws of Japan ("Lessor"), and CONSOLIDATED RAIL CORPORATION, a Pennsylvania corporation ("Lessee").

WITNESSETH:

WHEREAS, Lessor and Lessee have heretofore entered into that certain Lease Agreement, dated as of July 31, 1990 (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 twenty-five General Electric Dash 8-40CW Diesel Electric Locomotives bearing Lessee's road numbers 6050 through 6074 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 Item of Equipment is \$1,332,488.00 and the aggregate Lessor's Cost for all of the Items of Equipment is \$33,312,200.00.

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, or any subcontractor or supplier of the Manufacturer, under the 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.

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

Lessor:

NBB ALLENTOWN LEASE CO., LTD.

By: 
Name: Peter G. Turbott
Title: Attorney-in-fact

Lessee:

CONSOLIDATED RAIL CORPORATION

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

COMMONWEALTH OF PENNSYLVANIA:

SS

COUNTY OF PHILADELPHIA :

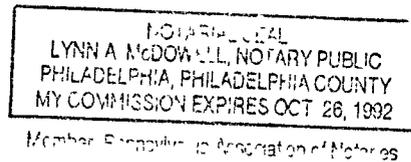
On this, the 30th day of July, 1990, before me, a notary public, personally appeared Peter G. Turbott, who acknowledged himself to be the Attorney-in-fact of NBB Allentown Lease Co., Ltd., and that he, as such Attorney-in-Fact, being duly empowered and authorized to do so, executed the within instrument for the purposes therein contained, by signing his name as such Attorney-in-Fact.

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

(NOTARIAL SEAL)


Notary Public

My Commission Expires:



COMMONWEALTH OF PENNSYLVANIA:
COUNTY OF PHILADELPHIA : SS

On this, the 30th day of July, 1990, before me, a notary public, personally appeared Thomas J. McGraw, who acknowledged himself to be the Director-Financing of Consolidated Rail Corporation, and that he, as such Director-Financing being duly empowered and authorized to do so, executed the within instrument for the purposes therein contained, by signing his name as such Director-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. 26, 1992
Member, Pennsylvania Association of Notaries