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INTERSTATE COMMERCE COMMISSION

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May 29, 1991

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INTERSTATE COMMERCE COMMISSION

Mr. Sidney L. Strickland, Jr.
Secretary
Interstate Commerce Commission
Twelfth Street & Constitution Avenue, N.W.
Washington, D.C. 20423

Re: **Lease of Locomotives from Altoona Locomotive Lease Co., Ltd. to Consolidated Rail Corporation**

Dear Mr. Strickland:

Enclosed are an original and two originally executed counterparts of the two primary documents described below and the three secondary documents which also are described below. The secondary documents described as item numbers 1 and 2 below are related to the primary document described as item 1 below. The secondary document described as item 3 below is related to the primary document described as item 2 below. All of the enclosed documents are to be recorded pursuant to Section 11303, Title 49, of the United States Code.

The enclosed primary documents are:

(1) Lease Agreement (Conrail 1991-A), dated as of May 29, 1991, between Altoona Locomotive Lease Co., Ltd., as lessor, and Consolidated Rail Corporation, as lessee.

(2) Trust Indenture and Security Agreement (Conrail 1991-A), dated as of May 29, 1991, among Altoona Locomotive Lease Co., Ltd., as lessor, Consolidated Rail Corporation, as lessee, and U.S. Trust Company of California, N.A., as indenture trustee.

The enclosed secondary documents are:

(1) Lease Supplement No. 1 (Conrail 1991-A), dated as of May 29, 1991, between Altoona Locomotive 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 (Conrail 1991-A), dated as of May 29, 1991, between Consolidated Rail Corporation, as assignor, and Altoona Locomotive Lease Co., Ltd., as assignee. The primary document to which this Assignment Agreement is connected is being submitted for recording concurrently herewith.

(3) Indenture Supplement (Conrail 1991-A), dated as of May 29, 1991 among Altoona Locomotive Lease Co., Ltd., as lessor, Consolidated Rail Corporation, as lessee, and U.S. Trust Company of California, N.A., as indenture trustee. The primary document to which this Trust Indenture Supplement 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:
Altoona Locomotive Lease Co., Ltd.
Caledonian House
Mary Street
P. O. Box 1043
George Town, Grand Cayman
Cayman Islands

Lessee:
Consolidated Rail Corporation
Six Penn Center Plaza
Philadelphia, Pennsylvania 19103

Lease Supplement No. 1

Lessor:
Altoona Locomotive Lease Co., Ltd.
Caledonian House
Mary Street
P. O. Box 1043
George Town, Grand Cayman
Cayman Islands

Lessee:
Consolidated Rail Corporation
Six Penn Center Plaza
Philadelphia, Pennsylvania 19103

Assignment Agreement

Assignor:
Consolidated Rail Corporation
Six Penn Center Plaza
Philadelphia, Pennsylvania 19103

Assignee:
Altoona Locomotive Lease Co., Ltd.
Caledonian House
Mary Street
P. O. Box 1043
George Town, Grand Cayman
Cayman Islands

Trust Indenture and Security Agreement

Lessor:
Altoona Locomotive Lease Co., Ltd.
Caledonian House
Mary Street
P. O. Box 1043
George Town, Grand Cayman
Cayman Islands

Lessee:
Consolidated Rail Corporation
Six Penn Center Plaza
Philadelphia, Pennsylvania 19103

Indenture Trustee:
U.S. Trust Company of California, N.A.
555 South Flower Street
Suite 2700
Los Angeles, California 90071

Indenture Supplement

Lessor:
Altoona Locomotive Lease Co., Ltd.
Caledonian House
Mary Street
P. O. Box 1043
George Town, Grand Cayman
Cayman Islands

Lessee:
Consolidated Rail Corporation
Six Penn Center Plaza
Philadelphia, Pennsylvania 19103

Indenture Trustee:
U.S. Trust Company of California, N.A.
555 South Flower Street
Suite 2700
Los Angeles, California 90071

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

Twenty 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 ALTOONA LOCOMOTIVE LEASE CO., LTD., THE LESSOR, WHICH HAS LEASED THIS LOCOMOTIVE TO CONSOLIDATED RAIL CORPORATION AND SUCH TITLE IS SUBJECT TO A SECURITY

INTEREST IN FAVOR OF U.S. TRUST COMPANY OF CALIFORNIA, N.A., AS INDENTURE TRUSTEE" and bearing road numbers 6100 through 6119, both inclusive.

Included in the property covered by the Trust Indenture and Security Agreement are (i) twenty (20) General Electric Dash 8-40CW diesel electric locomotives and all additions, alterations and modifications thereto or replacements of any part thereof, whenever made or performed or acquired and all other items of tangible personal property of any kind acquired by Altoona Locomotive Lease Co., Ltd. in connection with the acquisition of the aforementioned locomotives, in each case whether acquired at the time of acquisition or thereafter acquired pursuant to the Lease or otherwise, (ii) certain rights of Altoona Locomotive Lease Co., Ltd. in the Lease Agreement (Conrail 1991-A), dated as of May 29, 1991, between Altoona Locomotive Lease Co., Ltd., as lessor, and Consolidated Rail Corporation, as lessee, and the Assignment Agreement (Conrail 1991-A), dated as of May 29, 1991, between Consolidated Rail Corporation, as assignor, and Altoona Locomotive Lease Co., Ltd., as assignee, (iii) a bank account of Altoona Locomotive Lease Co., Ltd. at UST California, N.A. and all amounts therein and (iv) all right, title and interest of Altoona Locomotive Lease Co., Ltd. in and to all proceeds, rents, issues, profits, products, revenues and other income, from and on account of the property rights and privileges subjected or required to be subjected to the lien of the Trust Indenture and Security Agreement.

A fee of Seventy-five dollars ($75.00) is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to:

Stephen A. Jannetta, 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 (Conrail 1991-A), dated as of May 29, 1991, between Altoona Locomotive Lease Co., Ltd., as lessor, Caledonian House, Mary Street, P.O. Box 1043, George Town,

Grand Cayman, Cayman Islands and Consolidated Rail Corporation, as lessee, Six Penn Center Plaza, Philadelphia, Pennsylvania, 19103, covering twenty (20) General Electric Dash 8-40CW diesel electric locomotives bearing road numbers 6100 through 6119, both inclusive.

2) Lease Supplement No. 1:
Lease Supplement No. 1 (Conrail 1991-A), dated as of May 29, 1991, between Altoona Locomotive Lease Co., Ltd., as lessor, Caledonian House, Mary Street, P.O. Box 1043, George Town, Grand Cayman, Cayman Islands and Consolidated Rail Corporation, as lessee, Six Penn Center Plaza, Philadelphia, Pennsylvania, 19103, covering twenty (20) General Electric Dash 8-40CW diesel electric locomotives bearing road numbers 6100 through 6119, both inclusive.

3) Assignment Agreement:
Assignment Agreement (Conrail 1991-A), dated as of May 29, 1991, between Consolidated Rail Corporation, as assignor, Six Penn Center Plaza, Philadelphia, Pennsylvania, 19103 and Altoona Locomotive Lease Co., Ltd., as assignee, Caledonian House, Mary Street, P.O. Box 1043, George Town, Grand Cayman, Cayman Islands, relating to the purchase of twenty (20) General Electric Dash 8-40CW diesel electric locomotives bearing road numbers 6100 through 6119, both inclusive.

4) Trust Indenture and Security Agreement:
Trust Indenture and Security Agreement (Conrail 1991-A), dated as of May 29, 1991, between Altoona

Locomotive Lease Co., Ltd., as lessor, Caledonian House, Mary Street, P.O. Box 1043, George Town, Grand Cayman, Cayman Islands, and Consolidated Rail Corporation, as lessee, Six Penn Center Plaza, Philadelphia, PA 19103, and U.S. Trust Company of California, N.A., as indenture trustee, 555 South Flower Street, Suite 2700, Los Angeles, California, 90071, securing lessor's obligations relating to twenty (20) General Electric Dash 8-40CW diesel electric locomotives bearing road numbers 6100 through 6119, both inclusive.

5) Indenture Supplement: Indenture Supplement (Conrail 1991-A), dated as of May 29, 1991, between Altoona Locomotive Lease Co., Ltd., as lessor, Caledonian House, Mary Street, P.O. Box 1043, George Town, Grand Cayman, Cayman Islands and Consolidated Rail Corporation, as lessee, Six Penn Center Plaza, Philadelphia, Pennsylvania, 19103, and U.S. Trust Company of California, N.A., as indenture trustee, 555 South Flower Street, Suite 2700, Los Angeles, California, 90071, securing lessor's obligations relating to twenty (20) General Electric Dash 8-40CW diesel electric locomotives bearing road numbers 6100 through 6119, both inclusive.

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

Very truly yours,

Stephen A. Cannetta

SAJ/wm
Enclosures

Interstate Commerce Commission

Washington, D.C. 20423

OFFICE OF THE SECRETARY

5/29/91

Stephen A. Jannetta

Morgan ,Lewis & Bockius

2000 Logan Square

Philadelphia,PA. 19103-6993

Dear Sir:

The enclosed dcoument(s) was recorded pursuant to the provisions of Section 11303 of the Insterstate Commerce Act, 49 U.S.C. 11303, on 5/29/91 at 12:45pm , and assigned recordation number(s). 17350 17350-A,17350-B,17350-C & 17350-D

Sincerely yours,

Sidney L. Strickland, Jr.

Sidney L. Strickland, Jr.
Secretary

17350/C

MAY 29 1991 -12 45 PM

INTERSTATE COMMERCE COMMISSION

[EXECUTION COPY]

ASSIGNMENT AGREEMENT (CONRAIL 1991-A)

Dated as of May 29, 1991

FOR

TWENTY GENERAL ELECTRIC DASH 8-40CW

DIESEL ELECTRIC LOCOMOTIVES

CONSOLIDATED RAIL CORPORATION, as Assignor

ALTOONA LOCOMOTIVE LEASE CO., LTD., as Assignee

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THIS ASSIGNMENT AGREEMENT, dated as of May 29, 1991, between CONSOLIDATED RAIL CORPORATION, a corporation organized and existing under the laws of the Commonwealth of Pennsylvania with its principal place of business at Six Penn Center Plaza, Philadelphia, Pennsylvania 19103 (the "Assignor") and ALTOONA LOCOMOTIVE LEASE CO., LTD., a corporation organized under the laws of the Cayman Islands with its registered office at Caledonian House, Mary Street, George Town, Grand Cayman, Cayman Islands, British West Indies (the "Assignee").

WITNESSETH:

WHEREAS, pursuant to the Purchase Agreement (as hereinafter defined), the Manufacturer (as hereinafter defined) agreed to manufacture and sell to the Assignor, and the Assignor agreed to purchase from the Manufacturer, a total of one hundred General Electric Dash 8-40CW diesel electric locomotives;

WHEREAS, fifty locomotives were purchased in 1990 pursuant to the Purchase Agreement;

WHEREAS, the Assignor, on the terms and conditions hereinafter set forth, is willing to assign to the Assignee certain of the Assignor's rights and interests under the Purchase Agreement, and the Assignee is willing to accept such assignment, as hereinafter set forth, in order to enable the Assignee to purchase the Items of Equipment (as hereinafter defined) from the Manufacturer and to lease the Items of Equipment to the Assignor pursuant to the Lease Agreement (as hereinafter defined); and

WHEREAS, pursuant to the provisions hereof, the Manufacturer is willing to execute and deliver to the Assignee the "Consent, Agreement and Limited Joinder (Conrail 1991-A)" attached hereto as Annex A and made a part hereof;

NOW, THEREFORE, in consideration of the mutual covenants herein contained and intending to be legally bound hereby, the parties hereto agree as follows:

SECTION 1. DEFINITIONS

1.1 For all purposes of this Agreement, the following terms shall have the following meanings:

"Delivery Date" means the date of the initial Lease Supplement for the Items of Equipment, which date shall be the date on which the Items of Equipment are delivered to and accepted by the Assignee under this Agreement and the Purchase Agreement and the Assignee leases the Items of Equipment to the Assignor pursuant to the Lease Agreement.

"Dollars" or "$" means the lawful currency of the United States of America.

"Item of Equipment" means each of the General Electric Dash 8-40CW diesel electric locomotives listed by Lessee's road numbers in the initial Lease Supplement.

"Lease Agreement" means the Lease Agreement (Conrail 1991-A) dated as of May 29, 1991 between the Assignee, as lessor, and the Assignor, as lessee, and all annexes, exhibits, schedules and supplements thereto, all as amended, modified or supplemented from time to time.

"Lease Supplement" means the Lease Supplement (Conrail 1991-A), substantially in the form of Exhibit A to the Lease Agreement, to be entered into between the Assignor and the Assignee for the purpose of leasing the Items of Equipment under and pursuant to the terms of the Lease Agreement, and any amendment to the Lease Supplement.

"Manufacturer" means General Electric Company, a New York corporation, and its successors and assigns.

"Equity Participation Agreement" means the Equity Participation Agreement (Conrail 1991-A) dated as of May 29, 1991 between the Assignor, as Lessee, and the Assignee, as Lessor, and all annexes, exhibits, schedules and supplements thereto, all as amended, modified or supplemented from time to time.

"Purchase Agreement" means the Purchase Agreement, dated March 26, 1990, between the Manufacturer and the Assignor, providing, among other things, for the manufacture and sale by the Manufacturer to the Assignor of a total of one hundred General Electric Dash 8-40CW diesel electric locomotives, as such Purchase Agreement has been or may hereafter be amended, modified or supplemented (including, without limitation, pursuant to the amendment dated May 2, 1991).

"Purchase Price" means $27,979,556.50.

1.2 Except as otherwise provided herein, all other capitalized terms that are defined in Appendix X to the Equity Participation Agreement are used herein with the same meanings.

SECTION 2. ASSIGNMENT AND SALE

2.1 Subject to the terms and conditions of this Agreement, the Assignor does hereby assign, transfer and set over unto the Assignee all of the Assignor's rights and

interests in and to the Purchase Agreement with respect to the Items of Equipment, including, without limitation:

(a) the right upon valid tender by the Manufacturer to purchase the Items of Equipment pursuant to the Purchase Agreement (including the right to accept delivery of the Items of Equipment and the records and other documents relating thereto), the right to take title to the Items of Equipment and the right to be named the "Buyer" in the Bill of Sale to be delivered by the Manufacturer for the Items of Equipment pursuant to the Purchase Agreement;

(b) all claims for damages in respect of the Items of Equipment arising as a result of any default by the Manufacturer under the Purchase Agreement including, without limitation, all warranty and indemnity provisions contained in the Purchase Agreement, and all claims arising under or in connection with the Purchase Agreement, in respect of the items of Equipment;

(c) any and all rights of the Assignor to compel performance of the terms of the Purchase Agreement in respect of the Items of Equipment;

(d) all rights and remedies that the Assignor may have against the Manufacturer with regard to each Item of Equipment in respect of any warranty under the Purchase Agreement as to title, materials, workmanship, patent infringement or otherwise;

(e) with respect to the Items of Equipment, for so long as the Items of Equipment are owned by the Assignee but not leased to the Assignor, (i) the right to demand, accept and retain all rights in and to all property (other than the Items of Equipment), data and services that the Manufacturer is obligated to provide or does provide pursuant to the Purchase Agreement, and (ii) the right to obtain services pursuant to the Purchase Agreement;

reserving to the Assignor, however,

(i) all the rights to, interests in, credits for and repayment of any advance payments made and to be made in respect of the Items of Equipment under the Purchase Agreement and any other payments made or to be made by the Assignor in respect of the Items of Equipment under the Purchase Agreement and amounts credited or to be credited by the Manufacturer under the Purchase Agreement; and

(ii) with respect to the Items of Equipment, so long as the Items of Equipment are leased to the Assignor pursuant to the Lease Agreement, (A) the right to demand, accept and retain all rights in and to all property (other than the Items of Equipment), data and services that the Manufacturer is obligated to provide or does

provide pursuant to the Purchase Agreement, and (B) the right to obtain services pursuant to the Purchase Agreement.

2.2 The Assignee hereby accepts the foregoing assignment, subject to the terms hereof.

2.3 Notwithstanding the foregoing, so long as the Assignee has not declared the Lease Agreement to be in default pursuant to Section 15 thereof, and after such declaration if and so long as all Events of Default thereunder have been cured in accordance with the Lease Agreement, the Assignee hereby authorizes the Assignor to exercise to the exclusion of the Assignee, and the Assignor shall exercise in the Assignor's name, all rights and powers of the "Buyer" under the Purchase Agreement including, without limitation, the right to retain any recovery or benefit resulting under the Purchase Agreement in respect of the Items of Equipment, except that;

(a) the Assignor may not exercise any of the rights assigned hereunder referred to in clause (a) of Section 2.1 unless prior to the exercise thereof the Assignee shall have delivered on the Delivery Date to the Manufacturer written notice that the Assignee has released such rights with respect to the Items of Equipment; and

(b) the Assignor shall not enter into any change order or other amendment, modification or supplement to the Purchase Agreement without the prior written consent of the Assignee if such change order, amendment, modification or supplement would:

(i) substitute another diesel locomotive for an Item of Equipment that the Assignee is entitled to purchase under the Purchase Agreement;

(ii) increase the purchase price of the Items of Equipment to an amount in excess of the Purchase Price (without prejudice to the operation of Section 7);

(iii) postpone the Delivery Date beyond June 30, 1991 (without prejudice to the operation of Section 7); or

(iv) except as provided in the Purchase Agreement, result in any rescission, cancellation or termination of the Purchase Agreement.

2.4 Notwithstanding any provision herein to the contrary, the assignment set forth in Section 2.1 (b), (c), (d) and (e) shall terminate with respect to any Item of Equipment, and all such rights and remedies thereunder with respect to such Item of Equipment shall revert to the Assignor, upon the purchase by the Assignor of such Item of Equipment pursuant to Section 9, 10, 15 or 19 of the Lease Agreement.

2.5 It is understood that the execution by the Assignor of this Agreement is subject to the condition that concurrently with the delivery of the Items of Equipment, the Assignee shall lease the Items of Equipment to the Assignor under the Lease Agreement.

SECTION 3. PERFORMANCE

3.1 It is expressly agreed that, anything herein contained to the contrary notwithstanding:

(a) prior to the Delivery Date the Assignor shall secure execution by the Manufacturer of the "Consent, Agreement and Limited Joinder" attached as Annex A hereto;

(b) prior to the Delivery Date the Assignor shall perform the obligations to be performed by it with respect to each Item of Equipment under the Purchase Agreement on or before the Delivery Date;

(c) the Assignor shall exercise its rights and perform its obligations under the Purchase Agreement to the extent that such rights and obligations have not been assigned hereunder;

(d) the Assignor will at all times remain liable to the Manufacturer under the Purchase Agreement to perform all the duties and obligations of the "Buyer" thereunder to the same extent as if this Agreement had not been executed;

(e) the exercise by the Assignee of any of the rights assigned or performance of the duties or obligations assumed hereunder will not release the Assignor from any of its duties or obligations to the Manufacturer under the Purchase Agreement, except to the extent that such exercise by the Assignee will constitute performance of such duties and obligations; and

(f) except as provided in Sections 3.5 and 4 below, the Assignee will not have any obligation or liability under the Purchase Agreement (including, in particular but without limitation, any liability under Section 9 of the Purchase Agreement for payment of any taxes referred to therein, the obligation for the payment of which will remain with the Assignor as provided in paragraph (d), above) by reason of, or arising out of or in connection with, this Agreement or be obligated to perform any of the obligations or duties of the Assignor under the Purchase Agreement or to make any payment (other than to pay to the Manufacturer an amount equal to the Purchase Price on the Delivery Date, to the extent and upon the terms and conditions set forth in the Purchase Agreement, this Agreement and the Consent, Agreement and Limited Joinder) or to make any inquiry as to the sufficiency of any payment received by it or to present

or file any claim or to take any other action to collect or enforce a claim for any payment assigned hereunder.

3.2 Nothing contained herein will subject the Manufacturer to any liability to which it would not otherwise be subject under the Purchase Agreement or modify in any respect the Manufacturer's contract rights thereunder nor require the Manufacturer to transfer title to or possession of the Items of Equipment prior to receipt of payment in full of the Purchase Price therefor as provided in the Purchase Agreement; provided, that payment by the Assignee of the Purchase Price will constitute payment in full of the purchase price of the Items of Equipment referred to in Section 2 of the Purchase Agreement as having a "1st Half 1991" delivery.

3.3 The Assignor hereby appoints and constitutes, effective upon the occurrence of an Event of Default under the Lease Agreement and so long as such Event of Default is continuing thereunder, the Assignee, and its successors and assigns, the Assignor's true and lawful attorney, irrevocably, with full power (in the name of the Assignor or otherwise) to ask, require, demand, receive, compound and give acquittance for any and all monies and claims for monies due and to become due under or arising out of or in connection with the Purchase Agreement to the extent that the same have been assigned by this Agreement and, for such period as the Assignee may exercise rights with respect thereto under this Agreement, to endorse any checks, drafts, orders or other instruments in connection therewith and to file any claims or take any action or institute (or, if previously commenced, assume control of) any proceedings and to obtain any recovery in connection therewith that the Assignee may deem to be necessary or advisable with respect to such monies and claims for monies.

3.4 (a) Any notice, declaration, instruction, demand, request, consent, approval or other communication (a "communication") to be made under or pursuant to this Agreement will be made only in writing and may be given by airmail, telegram, cable, telecopy or telefax or any other customary means of communication, and any such communication shall be effective when delivered (i) if to the Manufacturer, at General Electric Company, Transportation Systems Business Operations, 2901 East Lake Road, Erie, PA 16531, Attention: General Counsel, Transportation Systems Business Operation, Telecopy/Telefax: 814-875-2724, or at such address as Manufacturer may from time to time designate and the Manufacturer shall be entitled and obligated to treat any such communication made by the Assignee as a communication for all purposes of this Agreement, (ii) if to Assignor, at Six Penn Center Plaza, Philadelphia, Pennsylvania 19103, Attention: Assistant Treasurer-Financing, Telecopy/Telefax: (215) 977-5346, or at such address as Assignor may from time to time designate, and (iii) if to Assignee, c/o Babcock & Brown, Incorporated, 639 Front Street, Suite 400, San Francisco, California 94111, Attention: Head of Contract Administration, Telecopy/Telefax: (415) 391-8488, with a copy to Nomura Babcock & Brown Co., Ltd., at Dai-Ichi Edobashi Building, 1-11-1 Nihonbashi, Chuo-ku, Tokyo 103, Japan, Attention:

General Manager, Telecopy/Telefax: 81-3-3281-0215, or at such other address as Assignee may from time to time designate.

(b) The Manufacturer will not be deemed to have knowledge of, and need not recognize, the occurrence, continuance, or discontinuance of an Event of Default under the Lease Agreement or any Item of Equipment being no longer subject to the Lease Agreement unless the Manufacturer has received from the Assignee written notice thereof, and in acting in accordance with the terms and conditions of the Purchase Agreement and this Agreement, the Manufacturer may rely conclusively upon any such notice. To the extent that the Assignee asserts any claims or exercises any rights under the Purchase Agreement, the Manufacturer will deal solely and exclusively with the Assignee as the "Buyer" under the Purchase Agreement. Promptly after all Events of Default under the Lease Agreement have been remedied or such Item of Equipment once again becomes subject to the terms of the Lease Agreement, the Assignee shall give written notice of the same to the Manufacturer, with a copy to the Assignor and upon the Manufacturer's receipt of such notice, the Assignor will have all of the rights that it has hereunder and under the Consent, Agreement and Limited Joinder in the absence of notice from the Assignee of an Event of Default.

3.5 Without in any way releasing the Assignor from any of its duties or obligations under the Purchase Agreement, the Assignee confirms for the benefit of the Manufacturer that, insofar as the provisions of the Purchase Agreement relate to the Items of Equipment in exercising any rights under the Purchase Agreement or in making any claim with respect to any Item of Equipment or other goods or services delivered or to be delivered pursuant to the Purchase Agreement, the terms and conditions of the Purchase Agreement, including, without limitation, the assignment provision will apply to and be binding upon the Assignee to the same extent as the Assignor; provided, however, that nothing contained in this Agreement will in any way diminish or limit the provisions of the Assignor's agreement in Section 8 below with respect to any liability of the Assignee.

SECTION 4. PAYMENTS

4.1 Subject to the satisfaction or waiver by the Assignee of the conditions set forth in Section 3 of the Equity Participation Agreement required to be satisfied on or prior to the Delivery Date and further subject to Section 7 hereof, the Assignee agrees to pay on the Delivery Date to the Manufacturer, in consideration for the transfer of all the right, title and interest in and to the Items of Equipment in accordance herewith, the Purchase Price by transfer of the amount thereof to the account specified by the Manufacturer.

4.2 Notwithstanding any other provision herein, in the event that any change in any applicable law, rule or regulation or in the interpretation or administration thereof will make it unlawful for the Assignee to pay or fund the Purchase Price, then the

Assignee will forthwith notify the Assignor thereof, and the obligation of this Agreement, including that of the Assignee to pay the Purchase Price pursuant to Section 4.1, will, if such payment has not been made, cease to have any effect and this Agreement will be without further force or effect, except that the Assignor will remain responsible to the Manufacturer under Sections 3.1(d) and (e) of this Agreement and except that such termination will not affect the obligations of the Assignor under the Purchase Agreement.

SECTION 5. FURTHER INSTRUMENTS

The Assignor agrees that at any time and from time to time, upon the written request of the Assignee, the Assignor will promptly and duly execute and deliver any and all such further instruments and documents and take such further action as the Assignee may reasonably request in order to obtain the full benefits of this Agreement and of the rights and powers herein granted.

SECTION 6. REPRESENTATIONS AND WARRANTIES

6.1 The Assignor hereby represents and warrants that:

(a) a true and complete copy of the Purchase Agreement has been furnished to the Assignee;

(b) the Purchase Agreement is in full force and effect and is enforceable in accordance with its terms;

(c) the Assignor is not in default under the Purchase Agreement;

(d) the Purchase Price constitutes full, adequate and fair consideration for the Items of Equipment; and

(e) the Assignor has not assigned, mortgaged, charged, pledged or encumbered the whole or any part of the rights assigned hereby with respect to any or all of the Items of Equipment under the Purchase Agreement to anyone other than the Assignee.

6.2 The Assignor hereby covenants that:

(a) the Assignor shall not assign, mortgage, charge, pledge or encumber, so long as this Agreement remains in effect, the whole or any part of the rights hereby assigned with respect to any or all of the Items of Equipment under the Purchase Agreement to anyone other than the Assignee; and

(b) upon delivery of the Items of Equipment to the Assignee pursuant to the Purchase Agreement and this Agreement, the Assignee will acquire such title to the Items of Equipment as would have been conveyed to the Assignor under the Purchase Agreement but for the execution of this Agreement and that the Items of Equipment will be free and clear of all liens arising from the act of the Assignor.

SECTION 7. TERMINATION

7.1 Upon the occurrence of an Event of Default under the Lease Agreement, or if the Items of Equipment have not been delivered by June 30, 1991, the Assignee will have the right to terminate this Agreement by notice given to the Assignor and the Manufacturer.

7.2 If any of the conditions set forth in Section 3 of the Equity Participation Agreement are not satisfied or waived as of the Delivery Date, the Assignee will have the right to terminate this Agreement by notice to the Assignor and the Manufacturer, whereupon the Assignee will have no further obligation to the Assignor or the Manufacturer hereunder.

7.3 If the Assignee fails to perform its obligation to purchase the Items of Equipment on the Delivery Date, the Assignor will have the right to terminate this Agreement by giving written notice thereof to the Assignee and the Manufacturer.

7.4 Upon such termination neither party will have any further obligations hereunder, except that the Assignor will remain responsible to the Manufacturer under Sections 3.1(d) and (e) of this Agreement and the Assignor will remain liable to the Assignee under Section 8 of this Agreement, and that such termination will not affect the obligations of the Assignor under the Purchase Agreement, including, without limitation, the obligation that, as between the Manufacturer and the Assignor, should any termination hereunder cause any delay in delivery of the Items of Equipment, the Assignor will be liable for any costs of such delay under the Purchase Agreement.

SECTION 8. INDEMNITIES

The Assignor hereby undertakes to indemnify and hold harmless the Assignee from all claims, costs, expenses, damages and liabilities of whatever kind and nature imposed on, incurred by or asserted against Assignee in any way relating to or arising out of or in connection with the Purchase Agreement and this Agreement or any action or inaction of the Assignor in connection with the Purchase Agreement and this Agreement unless such claims, costs, expenses, damages and liabilities are attributable to or caused by the willful misconduct or gross negligence of the Assignee.

SECTION 9. GOVERNING LAW; ASSIGNMENT

9.1 This Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

9.2 Except as otherwise provided in the Indenture, neither party may assign any of its rights and obligations under this Agreement without the prior written consent of the other and the Manufacturer.

9.3 This Agreement 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 Agreement, including a signature page executed by either party hereto, shall be an original counterpart of this Agreement but all such counterparts together shall constitute one instrument.

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

CONSOLIDATED RAIL CORPORATION

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

ALTOONA LOCOMOTIVE LEASE CO., LTD.

By: _____
Name: Thomas M. Tuggle
Title: Vice President

COMMONWEALTH OF PENNSYLVANIA:
SS
COUNTY OF PHILADELPHIA :

On this, the 28th day of May, 1991, before me, a notary public, personally appeared Thomas J. McGraw, to me personally known, who being by me duly sworn, says that he is the Director - Financing of Consolidated Rail Corporation, that said instrument was executed on May 28, 1991 on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Sworn to before me this
28 day of May, 1991.

(NOTARIAL SEAL)

Rosemary Pasquariello
Notary Public

My Commission Expires:

NOTARIAL SEAL
Rosemary Pasquariello Notary Public
City of Philadelphia, Phila County
My Commission Expires May 16 1992

COMMONWEALTH OF PENNSYLVANIA:

SS

COUNTY OF PHILADELPHIA :

On this, the 28 day of May, 1991, before me, a notary public, personally appeared Thomas M. Tuggle, to me personally known, who being by me duly sworn, says that he is the Vice President of Altoona Locomotive Lease Co., Ltd., that said instrument was executed on May 28, 1991 on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(NOTARIAL SEAL)

Sworn to before me this
28 day of May, 1991.

Rosemary Pasquariello
Notary Public

My Commission Expires:

NOTARIAL SEAL
Rosemary Pasquariello Notary Public
City of Philadelphia Phila County
My Commission Expires May 16 1992

Annex A

CONSENT, AGREEMENT AND LIMITED JOINDER

THIS CONSENT, AGREEMENT AND LIMITED JOINDER, dated as of May 29, 1991, among GENERAL ELECTRIC COMPANY (the "Manufacturer"), a New York corporation, CONSOLIDATED RAIL CORPORATION, a Pennsylvania corporation (the "Assignor"), and ALTOONA LOCOMOTIVE LEASE CO., LTD., a corporation organized under the laws of the Cayman Islands (the "Assignee").

In connection with the Assignment Agreement (Conrail 1991-A) dated as of May 29, 1991 between Assignor and Assignee attached hereto (the "Assignment," capitalized terms used but not defined herein shall have the meanings given to them in the Assignment), the Manufacturer hereby acknowledges notice of and consents to all of the terms of the Assignment Agreement to the extent relating to the assignment by the Assignor of its rights and interests under the Purchase Agreement and hereby confirms to the Assignee that:

(i) all representations, warranties, indemnities and agreements of the Manufacturer under the Purchase Agreement with respect to the Items of Equipment will (subject to the terms and conditions thereof and of the Assignment) inure to the benefit of the Assignee to the same extent as if originally named the "Buyer" therein, except as otherwise provided in Section 2 of the Assignment;

(ii) the Assignee will not be liable for any of the obligations or duties of the Assignor under the Purchase Agreement, nor will the Assignment give rise to any duties or obligations whatsoever on the part of the Assignee owing to the Manufacturer except for the Assignee's agreement in the Assignment to pay the Purchase Price and to the effect that in exercising any right under the Purchase Agreement with respect to any Item of Equipment or making any claims with respect to any Item of Equipment or the goods and services delivered and to be delivered pursuant to the Purchase Agreement, the terms and conditions of such Purchase Agreement relating to such Item of Equipment will apply to, and be binding upon, the Assignee to the same extent as the Assignor;

(iii) the Manufacturer will continue to pay to the Assignor all payments that the Manufacturer may be required to make in respect of each Item of Equipment under the Purchase Agreement unless and until the Manufacturer has received written notice from the Assignee that the Assignee has declared the Lease Agreement to be in default, whereupon the Manufacturer will, until the Assignee notifies the Manufacturer in writing that no Event of Default exists under the Lease Agreement, make any and all payments that Manufacturer may be required thereafter to make in respect of each Item of

Equipment under the Purchase Agreement and the right to receive which has been assigned under the Assignment, directly to the Assignee;

(iv) the Manufacturer agrees promptly to notify the Assignee in writing of any assignment of the Manufacturer's rights and obligations under the Purchase Agreement, or the Manufacturer's title to the Items of Equipment, to a third party in accordance with Section 18 of the Purchase Agreement; and

(v) from and after the delivery of the Items of Equipment and payment in full therefor pursuant to the terms of the Purchase Agreement, the Manufacturer will not assert any lien or claim that arose prior to such delivery or payment against the Items of Equipment or any part thereof.

The Manufacturer hereby represents and warrants that:

(a) the Manufacturer is a corporation duly organized and validly existing in good standing under the laws of the State of New York;

(b) the execution, delivery and performance of the Purchase Agreement and this Consent, Agreement and Limited Joinder have been duly authorized by all necessary corporate action on the part of the Manufacturer, do not require any shareholder approval and do not contravene the Manufacturer's Articles of Incorporation or By-laws or any indenture, credit agreement or other contractual agreement to which the Manufacturer is a party or by which it is bound; and

(c) the Purchase Agreement constitutes a binding obligation of the Manufacturer enforceable against the Manufacturer in accordance with its terms and this Consent, Agreement and Limited Joinder is a binding obligation of the Manufacturer enforceable against the Manufacturer in accordance with its terms.

Any notices, demands, requests, consents, approvals, other communications or payments required under this Consent, Agreement and Limited Joinder shall be given or made in accordance with Section 3.4 of the Assignment.

It is agreed that "Purchase Price" means $27,979,556.50.

It is understood that the execution by the Manufacturer of this Consent, Agreement and Limited Joinder is subject to the condition that concurrently with the delivery of the Items of Equipment to the Assignee on the Delivery Date the Assignee will lease the Items of Equipment to the Assignor under the Lease Agreement.

The Manufacturer joins in the Assignment solely for the purpose of obtaining the benefits of the provisions in the Assignment relating to the Manufacturer, including without limitation Sections 3.1(d) and (e), 3.2, 3.4(b), 3.5, 4.1 and 7.4.

IN WITNESS WHEREOF and intending to be legally bound hereby, the undersigned have executed this Consent, Agreement and Limited Joinder as of the date first written above.

GENERAL ELECTRIC COMPANY

By:_____
Name: Thomas P. Saddlemire
Title: Manager, Transportation
Systems Finance Operation

CONSOLIDATED RAIL CORPORATION

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

ALTOONA LOCOMOTIVE LEASE CO., LTD.

By:_____
Name: Thomas M. Tuggle
Title: Vice President