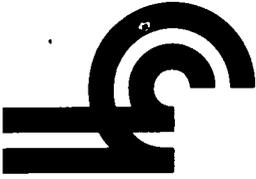


CONRAIL®



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September 30, 1993

SEP 30 1993 -10 10 AM

INTERSTATE COMMERCE COMMISSION

SEP 30 1993 -10 10 AM

INTERSTATE COMMERCE COMMISSION

LENSING BRANCH
SEP 30 10 03 AM '93

Sidney L. Strickland, Jr.
Secretary
Interstate Commerce Commission
Twelfth Street & Constitution Avenue, NW
Washington, DC 20423

HAND DELIVERED

Re: Lease of Locomotives from First Security Bank of Utah to Consolidated Rail Corporation

Dear Mr. Strickland:

Enclosed are an original and two originally certified counterparts of two secondary documents described below. The primary and secondary documents to which these secondary documents relate are (1) a Lease Agreement, dated August 3, 1993, between First Security Bank of Utah, NA, as Owner Trustee, ("Lessor") and Consolidated Rail Corporation ("Lessee"), filed August 3, 1993 under ICC Recordation No. 18357 and (2) a Mortgage and Lease Assignment, dated August 3, 1993, among First Security Bank of Utah, NA ("Borrower") and Concord Asset Management, Inc. ("Lender"), filed August 3, 1993 under ICC Recordation No. 18357-A. The enclosed documents are to be recorded pursuant to Section 11303, Title 49, of the United States Code.

The first enclosed secondary document is:

Lease Supplement No. 1, dated as of September 30, 1993, between First Security Bank of Utah, NA, and Consolidated Rail Corporation. The names and addresses of the parties to the document are as follows:

Lease Supplement No. 1:

Lessee: Consolidated Rail Corporation
Two Commerce Square
2001 Market Street
PO Box 41425
Phila., PA 19101-25

C. O'Connell
cc: amb

September 30, 1993

Page 2

Lessor: First Security Bank of Utah, NA, as Owner Trustee
Corporate Trust Department
79 South Main Street
PO Box 30007
Salt Lake City, UT 84130-0007

A description of the equipment covered by the aforesaid Lease is as follows:

Fourteen (14) General Motors EMD SD40-2 diesel electric locomotives bearing road numbers 6971 through 6980, both inclusive, 6982, 6983, 6987 and 6988.

The second enclosed secondary document is:

Supplement No. 1 to Mortgage and Lease Assignment, dated as of September 30, 1993, between First Security Bank of Utah, NA, and Concord Asset Management, Inc. The names and addresses of the parties to the document are as follows:

Supplement No. 1 to Mortgage and Lease Assignment ("Security Agreement")

Borrower: First Security Bank of Utah, NA, as Owner Trustee
Corporate Trust Department
79 South Main Street
PO Box 30007
Salt Lake City, UT 84130-0007

Secured Party: Concord Asset Management, Inc.
One Norwalk West
40 Richards Avenue
Norwalk, CT 06858

Fourteen (14) General Motors EMD SD40-2 diesel electric locomotives bearing road numbers 6971 through 6980, both inclusive, 6982, 6983, 6987 and 6988.

A fee of thirty-two dollars (\$32.00) is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to:

Cheryl A. Cook, Esq.
Consolidated Rail Corporation
Two Commerce Square
2001 Market Street
PO Box 41416
Phila., PA 19101-1416

September 30, 1993

Page 3

A short summary of the documents to appear in the index follows:

Lease Supplement No. 1: Lease Supplement No. 1, dated as of September 30, 1993, between First Security Bank of Utah, NA, as Owner Trustee, ("Lessor"), Corporate Trust Department, 79 South Main Street, PO Box 30007, Salt Lake City, UT 84130-0007 and Consolidated Rail Corporation ("Lessee"), Two Commerce Square, 2001 Market Street, PO Box 41425, Philadelphia, PA 19101-1425, covering fourteen (14) General Motors EMD SD40-2 diesel electric locomotives bearing road numbers 6971 through 6980, both inclusive, 6982, 6983, 6987 and 6988.

Supplement No. 1 to Mortgage and Lease Assignment: Mortgage and Lease Assignment: dated September 30, 1993, among First Security Bank of Utah, NA ("Borrower"), Corporate Trust Department, 79 South Main Street, PO Box 30007, Salt Lake City, UT 84130-0007 and Concord Asset Management, Inc., the secured party ("Lender"), One Norwalk West, 40 Richards Avenue, Norwalk, CT 06858, covering fourteen (14) General Motors EMD SD40-2 diesel electric locomotives bearing road numbers 6971 through 6980, both inclusive, 6982, 6983, 6987 and 6988.

If you have any questions regarding the foregoing, please contact the undersigned.

Very truly yours,



Cheryl Anne Cook
Associate General Counsel-Corporate
215 209 5042
215 209 4819 (FAX)

iccfile

Interstate Commerce Commission
Washington, D.C. 20423

9/30/93

OFFICE OF THE SECRETARY

Cheryl A Cook

Consolidated Rail Corporation

2001 Market Street

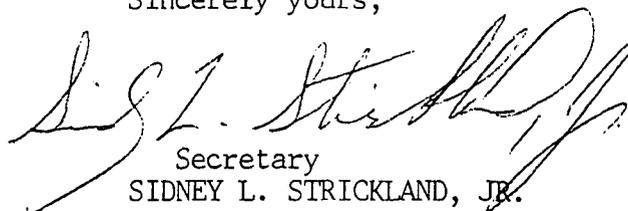
P.O.Box 41425

Phila. PA. 19101-25

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions
of Section 11303 of the Interstate Commerce Act, 49U.S.C. 11303,
on , 9/30/93 at 10:10am , and assigned
recordation number(s). 18357-B & 18357-C

Sincerely yours,


Secretary
SIDNEY L. STRICKLAND, JR.

Enclosure(s)

LEASE AGREEMENT SUPPLEMENT NO. 1
Dated September 30, 1993

18357-B
SEP 30 1993 - 10 10 AM
INTERSTATE COMMERCE COMMISSION

Between

FIRST SECURITY BANK OF UTAH, NA
not in its individual capacity but solely as trustee,
Lessor/Owner Trustee,

and

CONSOLIDATED RAIL CORPORATION, Lessee

Fourteen (14) General Motors SD 40 Dash 2 Locomotives

CERTAIN OF THE RIGHT, TITLE AND INTEREST IN AND TO THIS LEASE AGREEMENT SUPPLEMENT NO. 1 OF FIRST SECURITY BANK OF UTAH, NA, AS OWNER TRUSTEE UNDER THE TRUST AGREEMENT, DATED AS OF AUGUST 3, 1993, HAS BEEN ASSIGNED TO AND IS SUBJECT TO A SECURITY INTEREST IN FAVOR OF CONCORD ASSET MANAGEMENT, A NEW YORK CORPORATION, UNDER A MORTGAGE AND LEASE ASSIGNMENT DATED AS OF AUGUST 3, 1993 AND SUPPLEMENTED AS OF SEPTEMBER 30, 1993. THIS LEASE AGREEMENT SUPPLEMENT NO. 1 HAS BEEN EXECUTED IN SEVERAL COUNTERPARTS. TO THE EXTENT, IF ANY, THAT THIS LEASE AGREEMENT 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 AGREEMENT 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 CONCORD ASSET MANAGEMENT, ON OR IMMEDIATELY FOLLOWING THE SIGNATURE PAGE THEREOF. ONLY THE ORIGINAL COUNTERPART CONTAINS THE RECEIPT THEREFOR EXECUTED BY CONCORD ASSET MANAGEMENT ON THE SIGNATURE PAGES THEREOF.

FILED WITH THE INTERSTATE COMMERCE COMMISSION PURSUANT TO
49 U.S.C. §11303 ON SEPTEMBER __, 1993 at __:__.M.,
RECORDATION NUMBER _____ AND DEPOSITED WITH THE OFFICE
OF THE REGISTRAR GENERAL OF CANADA PURSUANT TO
§90 OF THE RAILWAY ACT OF CANADA ON SEPTEMBER __, 1993
AT __:__.M., RECORDATION NUMBER _____.

THIS LEASE AGREEMENT SUPPLEMENT NO. 1 (this "Supplement"), dated September 30, 1993, among FIRST SECURITY BANK OF UTAH, NA, a national banking association, not in its individual capacity but solely as Owner Trustee ("Lessor" or "Owner Trustee") under that certain Trust Agreement dated as of August 3, 1993 (the "Trust Agreement"), and CONSOLIDATED RAIL CORPORATION, a Pennsylvania corporation.

WITNESSETH:

WHEREAS, Lessor, Lessee and PAC RAIL, as original lessor, PAC RAIL III, as Beneficiary, and CONCORD ASSET MANAGEMENT, INC., as Lender referred to therein, have heretofore entered into a Participation Agreement (the "Participation Agreement"), Lessor and Lessee have heretofore entered into a Lease Agreement (the "Lease"), the Beneficiary and the Owner Trustee have heretofore entered into a Trust Agreement (the "Trust Agreement"), and the Owner Trustee and Lender have entered into a Mortgage and Lease Assignment, each dated as of August 3, 1993 (capitalized terms used herein having the respective meanings set forth in Appendix A to the Mortgage and Lease Assignment unless otherwise defined herein);

WHEREAS, the Participation Agreement and the Lease contemplate that on each Funding Date after the initial funding date, Lessee shall deliver to the Owner Trustee a Bill of Sale dated such date by which Lessee bargains, conveys, assigns, sets over, sells and delivers to the Owner Trustee, and the Owner Trustee purchases and accepts from Lessee, the Units to be conveyed on such Funding Date, and said Bill of Sale has been delivered by Lessee and accepted by the Owner Trustee on the Funding Date which is occurring on the date first above written; and

WHEREAS, the Participation Agreement, the Lease, and the Trust Agreement provide for the execution of a Lease Agreement Supplement substantially in the form hereof for the purpose of identifying the Units that are to be delivered on each Funding Date pursuant to the Lease and subjected thereto as well as the Lien of the Owner Trust.

NOW, THEREFORE, in consideration of the premises and for good and sufficient consideration, Lessor and Lessee hereby agree as follows:

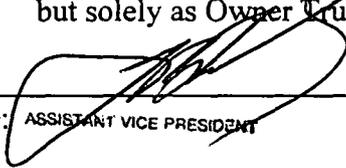
1. Lessor hereby delivers and leases to Lessee, and Lessee hereby accepts and leases from Lessor, under the Lease as hereby supplemented, the Units listed on Schedule 1 hereto.
2. Lessee hereby confirms to Lessor that Lessee has accepted such Units for all purposes hereof and of the Lease. The date of delivery and acceptance of such Units under the Lease is the date of this Supplement set forth in the opening paragraph hereof.
3. The aggregate Cost of the Units covered hereby is \$7,070,000.
4. Lessee confirms its agreement, in accordance with the Lease as hereby supplemented, to pay to Lessor for each Unit leased hereunder all Rent as provided for in the Lease.
5. All of the provisions of the Lease Agreement are hereby incorporated by reference in this Supplement to the same extent as if fully set forth herein.

6. This Supplement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Supplement to be duly executed on the date and year set forth in the opening paragraph hereof.

Lessor/Owner Trustee

FIRST SECURITY BANK OF UTAH, NA
not in its individual capacity
but solely as Owner Trustee

By: 
Title: ASSISTANT VICE PRESIDENT

Lessee

CONSOLIDATED RAIL CORPORATION

By: _____
Director - Project Financing

Receipt of this original counterpart of the foregoing Lease Supplement is hereby acknowledged on this ____ day of September, 1993.

CONCORD ASSET MANAGEMENT, INC.

By: _____
Title

6. This Supplement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Supplement to be duly executed on the date and year set forth in the opening paragraph hereof.

Lessor/Owner Trustee

FIRST SECURITY BANK OF UTAH, NA
not in its individual capacity
but solely as Owner Trustee

By: _____
Title:

Lessee

CONSOLIDATED RAIL CORPORATION

By: Thomas J. McStodde
Director Project Financing

Receipt of this original counterpart of the foregoing Lease Supplement is hereby acknowledged on this ____ day of September, 1993.

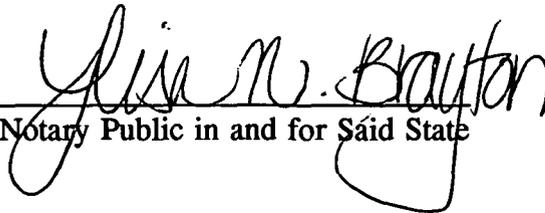
CONCORD ASSET MANAGEMENT, INC.

By: _____
Title

STATE OF UTAH)
) ss:
COUNTY OF SALT LAKE)

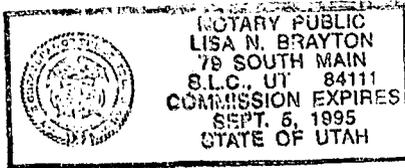
On September 28, 1993, before me, the undersigned, a Notary Public in and for said State, personally appeared Greg A. Hawley, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed this instrument as the Assistant Vice President of First Security Bank of Utah, National Association, not in its individual capacity, but solely as Trustee, or on behalf of the national association therein named, and acknowledged to me that the national association executed this instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.


Notary Public in and for Said State

My Commission Expires:

[Notarial Seal]



COMMONWEALTH OF PENNSYLVANIA)

) ss:

COUNTY OF PHILADELPHIA)

On this 24th day of September, 1993 before me personally appeared, Thomas J. McFadden, to me personally known, who being by me duly sworn, says that he is the Director - Project Financing of CONSOLIDATED RAIL CORPORATION, that the seal affixed the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on September 24, 1993 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.


Notary Public

[Notarial Seal]

NOTARIAL SEAL
LORETTA DANDRIDGE, Notary Public
City of Philadelphia, Phila. County
My Commission Expires Aug. 27, 1994

My commission expires _____