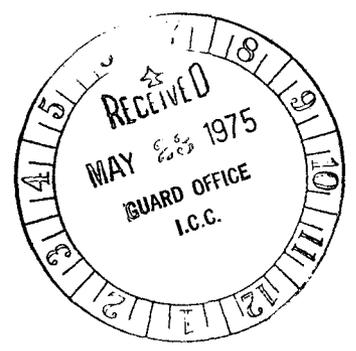


STATE OF NEW YORK RECORDATION NO. 7703-C Filed & Recorded  
:SS.:  
COUNTY OF NEW YORK ) **MAY 23 1975 -6 30 PM**

INTERSTATE COMMERCE COMMISSION

**THIRD RELIEF**



Notary Certificate

The undersigned hereby certifies that he has compared the copies of the documents attached hereto with the originals thereof and that such copies are true and complete in all respects.

Witness my signature and seal as of May 23, 1975.

*Christopher A. Wilburn*  
Notary Public

**CHRISTOPHER A. WILBURN**  
Notary Public, State of New York  
No. 24-4266600  
Qualified in Kings County  
Certificate filed in New York County  
Commission Expires March 30, 1977

My Commission expires:

Class  
Paper

RECORDATION NO. 7703-C Filed & Recorded

MAY 23 1975 - 6 30 PM

AMENDMENT NO. 1 TO LEASE

INTERSTATE COMMERCE COMMISSION

AMENDMENT NO. 1 dated as of May 1, 1975  
between POTOMAC ELECTRIC POWER COMPANY and CHASE MANHATTAN  
SERVICE CORPORATION to the Lease Agreement dated as of  
October 15, 1974 among such parties.

WHEREAS, the parties hereto are parties to a Lease  
of Railroad Equipment dated as of October 15, 1974 (the  
"Lease") and desire to amend the same as hereafter provided;

NOW, THEREFORE, in consideration of the premises  
the parties hereto agree that:

A. § 3 of the Lease is amended by (1) inserting  
the words "in Group I and 0.030856% of the Purchase Price  
of each Unit in Group II" after the words "each Unit" appearing  
in the second sentence of the first paragraph of said § 3  
and (2) inserting the words "in Group I and 5.554% of the  
Purchase Price of each Unit in Group II" after the word  
"Unit" appearing in the last sentence of the first para-  
graph of said § 3.

B. § 3 of the Lease is further amended by adding  
the following new paragraphs after the second paragraph  
of said § 3:

"In addition to the rentals set forth in the  
first paragraph of this § 3, the Lessee hereby agrees  
to pay the Lessor, as additional rentals, amounts  
equal to the amounts which the Lessor (as Vendee  
under the Finance Agreement dated the date hereof  
among the Lessee, the Vendor and the Investor referred  
to therein [the "Finance Agreement"]) shall become  
obligated to pay the Vendor (as agent under the  
Finance Agreement) in the last sentence of the third

paragraph, and in the fourth paragraph, of Paragraph 4 of the Finance Agreement on the dates required for such payments in said Paragraph 4 (without regard to the limitation of the obligation of the Lessor set forth in the last sentence of such fourth paragraph) and the Lessor agrees to apply such rentals for the purposes set forth therein.

"In the event that there are any losses, liabilities or expenses arising out of or resulting from the Investments (as defined in the Finance Agreement) made pursuant to Paragraph 1 of the Finance Agreement, including, but not limited to, any deficiency in respect thereof, the rentals thereafter payable by the Lessee over the Original Term of this Lease in respect of Units settled for after such losses, liabilities, expenses or deficiency arose shall be increased by such amount or amounts as shall cause the Lessor's net after-tax cash flows over the Original Term of this Lease (computed on the same assumptions, including tax rates, as were utilized by the Lessor in computing the rentals and Casualty Values set forth in §§ 3 and 7 of this Lease) to equal the net after-tax cash flows that would have been realized by the Lessor if such loss, liability or expenses had not occurred. If the Lessor and the Lessee cannot agree on such adjustment or adjustments, a determination thereof shall be made in the manner provided for in the proviso of clause (x) of the fifth paragraph of § 17 hereof."

C. § 7 of the Lease is amended by (1) deleting the words "the third and tenth paragraphs of" appearing in the second paragraph of said § 7 and (2) inserting the words "during the Original Term of this Lease" after the words "Casualty Value" appearing in said second paragraph.

D. § 7 of the Lease is further amended by (1) deleting the schedule of Casualty Values appearing in the second paragraph of said § 7 and substituting the following schedule of Casualty Values therefor:

<u>Date</u>	<u>Percentage for Units in Group I</u>	<u>Percentage for Units in Group II</u>
June 1, 1975	106.810	106.81
December 1, 1975	110.345	106.92
June 1, 1976	106.647	108.06
December 1, 1976	106.913	108.86
June 1, 1977	106.856	109.25
December 1, 1977	106.382	109.27
June 1, 1978	102.665	108.95
December 1, 1978	101.514	100.93
June 1, 1979	100.075	99.95
December 1, 1979	98.298	98.65
June 1, 1980	93.311	97.05
December 1, 1980	90.973	87.82
June 1, 1981	88.392	85.88
December 1, 1981	85.582	83.69
June 1, 1982	79.655	81.26
December 1, 1982	76.501	71.26
June 1, 1983	73.176	68.43
December 1, 1983	69.700	65.43
June 1, 1984	66.065	62.26
December 1, 1984	62.307	58.93
June 1, 1985	58.430	55.44
December 1, 1985	54.504	51.82
June 1, 1986	50.445	48.10
December 1, 1986	46.353	44.28
June 1, 1987	42.112	40.35
December 1, 1987	37.847	36.32
June 1, 1988	33.439	32.18
December 1, 1988	29.004	27.94
June 1, 1989	24.414	23.59
December 1, 1989	19.797	19.12
June 1, 1990	15.000	15.00

and (2) adding the following at the end of said second paragraph:

"Notwithstanding the foregoing, the Casualty Value of each Unit as of the payment date on which payment is to be made as aforesaid which occurs during any extended term provided for by the first paragraph of § 13 hereof shall mean a sum equal to (i) the Fair Market Value of such Unit as of the last day of such extended

term (determined as of the first day of such extended term as hereinafter provided in this § 7) plus (ii) an amount determined by multiplying (x) an amount equal to the excess of the Fair Market Value of such Unit as of the first day of such extended term (determined as of such first day as hereinafter provided in this §7) over such Fair Market Value as of the last day of such extended term by (y) a fraction of which the numerator shall be the number of days in such extended term following such date and of which the denominator shall be the total number of days in such extended term (it being understood that such Fair Market Value shall be determined as provided in this § 7 concurrently with the determination of Fair Market Rental under § 13 hereof). For the purpose of the foregoing sentence, the "Fair Market Value" of any Unit shall mean such value as determined in the manner provided in the second paragraph of § 13 hereof for the determination of Fair Market Rental, substituting, however, (a) "Fair Market Value" for "Fair Market Rental" in each of the first and second sentences of the second paragraph of § 13 hereof, (b) "buyer" for "lessee", "seller" for "lessor" and "sell" for "lease" in the first sentence of the second paragraph of § 13 hereof, and (c) "value" for "rental" in each of the first and second sentences of the second paragraph of § 13 hereof.

E. § 9 of the Lease is amended by deleting the words "the Security Document" appearing in the fifth paragraph of said § 9.

F. § 14 of the Lease is amended by deleting the fifth and sixth sentences and the phrase "Except as provided in this § 14," appearing at the commencement of the seventh sentence of said § 14.

G. §17 of the Lease is amended by: (1) deleting the words "at least" appearing in the first paragraph of said § 17; (2) inserting the words "in Group I and 10% of the full Purchase Price of the Units in Group II" immediately prior to the clause "(the "Investment Credit")" appearing in the first paragraph of said § 17; (3) deleting the first sentence of the third paragraph of said § 17; (4) deleting the words "Notwithstanding the foregoing" appearing at the commencement of the second sentence of the third paragraph of said § 17 and substituting "If" for "if" immediately following said deletion; (5) immediately following the words "Purchase Price of any or all" appearing in the second sentence of the third paragraph of said § 17, deleting the words "such Units," and substituting "the Units in Group I or 10% of the full Purchase Price of any or all of the Units in Group II," therefor; (6) deleting the words "either of the first and second sentences of this paragraph" appearing in the last sentence of the third paragraph of said § 17 and substituting "the immediately preceding sentence" therefor; (7) deleting the date "September 1" in both instances in which such date appears in the eleventh paragraph of said § 17 and substituting "December 31" therefor in each case;

(8) deleting the period at the end of the last sentence of the 11th paragraph of said § 17 and adding the following thereto:

"; provided, however, that if such Rulings shall not have been issued on or before September 1, 1975, the Lessee shall be entitled to purchase the Units in Group I on the next succeeding rental payment date following September 1, 1975 on the foregoing terms by giving at least 30 days' prior written notice to the Lessor.";

(9) adding after the date "September 1, 1975" appearing in the 12th paragraph of said § 17 the following:

"in the case of Units in Group I or December 31, 1975 in the case of Units in Group II";

(10) adding after the date "September 8, 1975" in both instances in which such date appears in the 12th paragraph of said § 17 the following:

"in the case of Units in Group I or January 8, 1976 in the case of Units in Group II";

(11) adding after the date "September 15, 1975" which appears in the 12th paragraph of said § 17 the following:

"in the case of Units in Group I or January 15, 1976 in the case of Units in Group II"; and

(12) deleting the words "Conditional Sale Agreement" appearing in each of clause (iii) and clause (xi) of the thirteenth paragraph of said § 17 and substituting the words "Security Document" therefor in each case.

H. Schedule A to the Lease is amended by (1) adding a new column entitled "Group" at the extreme left of said Schedule A, (2) inserting the words "Group I" in the

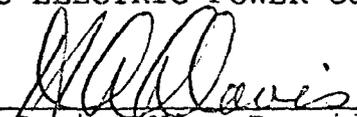
first line of the column entitled "Group" opposite the words "100 Ton Steel High Side Gondolas", and (3) inserting the words "Group II" in the second line of the column entitled "Group", opposite the words "100 Ton Steel 3 Gate Hopper Cars."

I. Except as hereinabove amended, the Lease shall remain in full force and effect. This Agreement shall be governed by the laws of the State of New York. This Agreement may be executed in any number of counterparts, all of which together shall constitute a single instrument, and either party may execute this instrument by signing any such counterpart. Although for convenience this Agreement is dated as of the date first set forth above, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgements hereto annexed.

IN WITNESS WHEREOF, the parties hereto have executed or caused this instrument to be executed as of the date first above written.

POTOMAC ELECTRIC POWER COMPANY

By

  
Senior Vice President

[CORPORATE SEAL]

Attest:

  
Assistant Secretary

CHASE MANHATTAN SERVICE CORPORATION

By James Koolahan  
Assistant Treasurer

[CORPORATE SEAL]

Attest:

Frank S. ...  
Assistant Secretary

DISTRICT OF COLUMBIA ) ss.:

On this <sup>23rd</sup> day of May, 1975, before me personally appeared H. L. Davis, to me personally known, who, being by me duly sworn, says that he is a Senior Vice President of POTOMAC ELECTRIC POWER COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed 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.

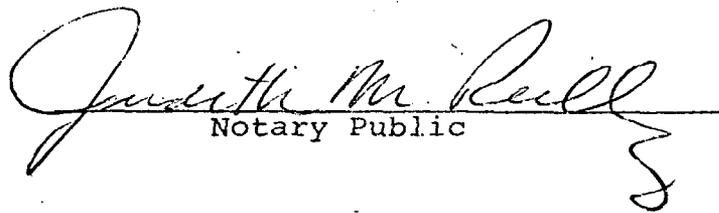
Levitt M. Duckett  
Notary Public

My Commission expires 5-31-77

STATE OF NEW YORK )  
 ) ss.:  
COUNTY OF NEW YORK )

On this 20<sup>th</sup> day of May, 1975, before me personally appeared James Healy, to me personally known, who, being by me duly sworn, says that he is an ~~Vice President~~ of CHASE MANHATTAN SERVICE CORPORATION, that one of the seals affixed to the foregoing instrument is the seal of said corporation, that said instrument was signed and sealed 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.

Assistant  
Recorder

  
Notary Public

My Commission expires

JUDITH M. REILLY  
Notary Public, State of New York  
No. 31-8533220  
Qualified in New York County  
Commission Expires March 30, 1976