railgon
The nationwide gondola pool

RAILGON COMPANY
101 NORTH WACKER DRIVE
CHICAGO, ILLINOIS 60606
(312) 853-3223
DIRECT LINE: (312) 984-3826

6-17(A035

June 17, 1986

No.
Date JUN 20 1986 12013-L
Fee $ 30.00 JUN 20 1986 -1 50 PM
ICC Washington, D.C.
INTERSTATE COMMERCE COMMISSION

ICC OFFICE OF THE SECRETARY
JUN 20 1986 PM '86
MOTOR OPERATING UNIT

Honorable Noreta R. McGee
Acting Secretary
Interstate Commerce Commission
12th & Constitutional Ave., NW
Room 2215
Washington, DC 20423

12013-L Filed 1425

$30.00 filing fee
3 do-cs.

12013-M Filed 1425
JUN 20 1986 -1 50 PM
INTERSTATE COMMERCE COMMISSION

Dear Ms. McGee: JUN 20 1986 -1 50 PM
INTERSTATE COMMERCE COMMISSION

On behalf of Railgon Company, I submit for filing and recording, under 49 U.S.C. Section 11303(a) and the regulations promulgated thereunder, an executed original and one certified true copy of each of the following secondary documents:

12013-L 1. "Amendment to Lease of Railroad Equipment (No. 1)";

12013-M 2. "Amendment to Conditional Sale Agreement (No. 1)"; and

12013-N 3. "Amendment to Assignment of Lease and Agreement (No. 1)".

Prior recordations relating to this document are as follows:

1. Conditional Sale Agreement dated as of July 1, 1980, recorded under Recordation No. 12013;

2. Agreement and Assignment dated as of July 1, 1980, recorded under Recordation No. 12013-A;

3. Lease of Railroad Equipment dated as of July 1, 1980, recorded under Recordation No. 12013-B;

4. Assignment of Lease and Agreement dated as of July 1, 1980, recorded under Recordation No. 12013-C;

5. Amendment to Lease of Railroad Equipment dated as of January 1, 1984, recorded under Recordation No. 12013-E;

6. Amendment to Lease of Railroad Equipment (No. 1) dated as of October 15, 1984, recorded under Recordation No. 12013-F;

7. Amendment to Conditional Sale Agreement (No. 1) dated as of October 15, 1984, recorded under Recordation No. 12013-G;

Complete & Harrison

8. Amendment to Assignment of Lease and Agreement (No. 1) dated as of October 15, 1984, recorded under Recordation No. 12013-H;

9. Amendment to Lease of Railroad Equipment (No. 1) dated as of November 15, 1984, recorded under Recordation No. 12013-I;

10. Amendment to Conditional Sale Agreement (No. 1) dated as of November 15, 1984, recorded under Recordation No. 12013-J; and

11. Amendment to Assignment of Lease and Agreement (No. 1) dated as of November 15, 1984, recorded under Recordation No. 12013-K.

Please file the enclosed document under Recordation No. 12013 under the next available letter.

The parties to this transaction are as follows:

Railgon Company - Lessee
101 North Wacker Drive
Chicago, Illinois 60606

The Connecticut Bank and Trust Company,
National Association - as Trustee
for Owner, and Lessor
One Constitution Plaza
Hartford, Connecticut 06115

Mercantile-Safe Deposit and Trust
Company - as Agent for Investors,
and as Mortgagee
Two Hopkins Plaza
Baltimore, Maryland 21201

The Equipment covered by the enclosed document is as set forth below:

CAR TYPE	AAR Mechanical Designation	No. of Units	Reporting Marks	Car Numbers
52'6" 100 ton gondola cars	GB	100	GONX	See Attached Schedule A

Enclosed is a check in the amount of $30.00 to pay the recording fee for the instant document.

A short summary of the document to appear in the Index is as follows:

> "Amends the filings under Recordation No. 12013 to provide for the release of 100 gondola cars."

Once the filing has been made, please keep the executed original of each document for your files and return to bearer the other stamped copies, together with the fee receipt, the letter from the ICC acknowledging the filing, and the four extra copies of this letter of transmittal.

Very truly yours,

Thomas D. Marion

Thomas D. Marion
Director - Equipment Finance
and Assistant Treasurer

TDM:kkb
Enclosures

12013-Fm
Filed 1425
JUN 20 1986 -1 52 PM
INTERSTATE COMMERCE COMMISSION

AMENDMENT TO CONDITIONAL SALE AGREEMENT (NO. 1)

AMENDMENT made as of the 16th day of June, 1986 between THE CONNECTICUT BANK AND TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association acting not in its individual capacity but solely as Trustee (hereinafter, together with its successors and assigns, the "Trustee") acting under a Trust Agreement dated as of July 1, 1980, as amended, with General Electric Credit Corporation (the "Owner"), and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation, acting not in its individual capacity but solely as agent (hereinafter, together with its successors and assigns, the "Agent") for certain institutional investors (the "Investors") under a Participation Agreement dated as of July 1, 1980, as amended.

RECITALS

WHEREAS, the Trustee is a party to a Conditional Sale Agreement dated as of July 1, 1980, as amended (as so amended, the "CSA") along with certain manufacturers of railroad equipment listed on the signature pages to the CSA (the "Builders"), pursuant to which the Trustee purchased certain units of railroad equipment described in Annex B to the CSA manufactured by the Builders (the "Equipment");

WHEREAS, the Builders assigned to the Agent certain of their right, title and interest in and to the CSA and

to the security interest in and to the Equipment pursuant to an Agreement and Assignment dated as of July 1, 1980 between the Agent and each of the Builders;

WHEREAS, the Trustee and Railgon Company ("Railgon") entered into a Lease of Railroad Equipment dated as of July 1, 1980, as amended (as so amended, the "Lease") pursuant to which the Trustee leased the Equipment to Railgon;

WHEREAS, the Trustee and Railgon have as of this date entered into an Amendment to Lease pursuant to which certain items of Equipment have been released from the Lease;

WHEREAS, the Trustee has as of this date entered into a Lease of Railroad Equipment with The Kansas City Southern Railway Company, pursuant to which the Trustee has leased to such entity certain items of the Equipment released from the Lease; and

WHEREAS, in consideration of the foregoing, the parties to the CSA have agreed to amend the CSA on the terms set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto agree as follows (certain capitalized terms used and not defined herein having the meanings ascribed thereto in the CSA):

1. The fourth paragraph of Article 4 of the CSA is hereby amended to read in its entirety as follows:

> The portion (the "Railgon CSA Indebtedness") of the Purchase Price payable pursuant to subparagraph (c) of the preceding paragraph in respect of the Lease shall be deemed to be $14,364,466.58 and shall be payable on the dates and in the manner set forth in the Override and Restructuring Agreement dated as of January 1, 1984, as amended, by and among the Lessee, the Trustee, the Agent, the Owner, the Investors and Trailer Train Company (as so amended, the "Override Agreement"), each such date being hereinafter called a "Railgon Payment Date". The portion (the "Baltimore CSA Indebtedness") of such Purchase Price payable in respect of the Lease of Railroad Equipment dated as of October 15, 1984 (the "Baltimore Lease") by and between the Trustee and The Baltimore and Ohio Railroad Company (the "Baltimore Lessee") shall be deemed to be $7,926,716.29 and shall be payable on each April 15 and October 15, commencing October 15, 1986, to and including October 15, 1999, each such date being hereinafter called a "Baltimore Payment Date". The portion (the "Chesapeake CSA Indebtedness") of such Purchase Price payable in respect of the Lease of Railroad Equipment dated as of October 15, 1984 (the "Chesapeake Lease") by and between the Trustee and The Chesapeake and Ohio Railway Company (the "Chesapeake Lessee") shall be deemed to be $3,967,325.48 and shall be payable on each April 15 and October 15, commencing October 15, 1986, to and including October 15, 1999, each such date being hereinafter called a "Chesapeake Payment Date." The Baltimore CSA Indebtedness and the Chesapeake CSA Indebtedness shall sometimes be referred to in this Agreement collectively as the "Chessie CSA Indebtedness", the Baltimore Lease and the Chesapeake Lease shall sometimes be referred to in this Agreement collectively as the "Chessie Leases", the Baltimore Lessee and the Chesapeake Lessee shall sometimes be referred to in this Agreement collectively as the "Chessie Lessees" and the Baltimore Payment Date and the Chesapeake Payment Date shall sometimes be referred to in this Agreement collectively as a "Chessie Payment Date". If an act is done or omitted to be done by, or an event occurs with respect to, one of the

Baltimore Lessee or Chesapeake Lessee, but not both, any and all references to the "Chessie CSA Indebtedness", the "Chessie Leases", the "Chessie Lessees" or the "Chessie Payment Date" with respect to such act, omission or event, or the legal consequences resulting from such act, omission or event, shall be deemed to refer only to the Baltimore Lessee or the Chesapeake Lessee, whichever did or omitted to do such act or with respect to which such event occurred, and the related lease, but not both. The portion (the "Seaboard CSA Indebtedness") of such Purchase Price payable in respect of the Lease of Railroad Equipment dated as of November 15, 1984 (the "Seaboard Lease") by and between the Trustee and Seaboard System Railroad, Inc. (the "Seaboard Lessee") shall be deemed to be $3,967,325.54 and shall be payable on each May 15 and November 15, commencing November 15, 1986, to and including November 15, 1999, each such date being hereinafter called a "Seaboard Payment Date". The portion (the "Kansas City Southern CSA Indebtedness") of such Purchase Price payable in respect of the Lease of Railroad Equipment dated as of June 16, 1986 (the "Kansas City Southern Lease") by and between the Trustee and The Kansas City Southern Railway Company (the "Kansas City Southern Lessee") shall be deemed to be $756,845.30 and shall be payable on each June 15 and December 15, commencing December 15, 1986, to and including June 15, 1999, each such date being hereinafter called a "Kansas City Southern Payment Date". Subject to the provisions of the Override Agreement, the unpaid balance of the Railgon CSA Indebtedness shall bear interest at the rate of 13% per annum. Such interest shall be payable on each Railgon Payment Date. The installments of principal payable on each Railgon Payment Date shall be calculated so that the amount and allocation of principal and interest payable on each Railgon Payment Date shall be substantially in proportion to the amount and allocation of principal and interest on such Railgon Payment Date set forth in Schedule I hereto and the aggregate of such installments of principal will completely amortize the remaining Railgon CSA Indebtedness. The unpaid balance of the Chessie CSA Indebtedness shall bear interest from the Amendment No. 1 Closing Date (as defined in Amendment No. 1 to the Override and Restructuring Agreement dated as of October 15, 1984 by and among the parties to the Override Agreement) at the rate of

8.75% per annum. Such interest and the principal amount of the Chessie CSA Indebtedness shall be payable on each Chessie Payment Date in such amounts as shall be determined pursuant to Section 18.03(a) of the Override Agreement, as added by that certain Amendment No. 1 to the Override and Restructuring Agreement dated as of October 15, 1984 by and among the parties to the Override Agreement. The unpaid balance of the Seaboard CSA Indebtedness shall bear interest from the Amendment No. 2 Closing Date (as defined in Amendment No. 2 to the Override and Restructuring Agreement dated as of November 15, 1984 by and among the parties to the Override Agreement) at the rate of 8.75% per annum. Such interest and the principal amount of the Seaboard CSA Indebtedness shall be payable on each Seaboard Payment Date in such amounts as shall be determined pursuant to Section 18.04(a) of the Override Agreement, as added by that certain Amendment No. 2 to the Override and Restructuring Agreement dated as of November 15, 1984 by and among the parties to the Override Agreement. The unpaid balance of the Kansas City Southern CSA Indebtedness shall bear interest from the Amendment No. 3 Closing Date (as defined in Amendment No. 3 to the Override and Restructuring Agreement dated as of June 16, 1986 by and among the parties to the Override Agreement) at the rate of 6.65% per annum. Such interest and the principal amount of the Kansas City Southern CSA Indebtedness shall be payable on each Kansas City Southern Payment Date in such amounts as shall be determined pursuant to Section 18.05(a) of the Override Agreement, as added by that certain Amendment No. 3 to the Override and Restructuring Agreement dated as of June 16, 1986 by and among the parties to the Override Agreement.

2. The last paragraph of Article 4 of the CSA is amended to read in its entirety as follows:

As used in this Agreement, the word "Equipment" shall mean, jointly, the Equipment leased by the Trustee to the Lessee pursuant to the Lease (the "Railgon Equipment"), the Equipment leased by the Trustee to the Baltimore Lessee pursuant to the Baltimore Lease (the "Baltimore

Equipment") and to the Chesapeake Lessee pursuant to the Chesapeake Lease (the "Chesapeake Equipment") (the Baltimore Equipment and the Chesapeake Equipment shall sometimes be referred to in this Agreement collectively as the "Chessie Equipment"), the Equipment leased by the Trustee to the Seaboard Lessee pursuant to the Seaboard Lease (the "Seaboard Equipment") and the Equipment leased by the Trustee to the Kansas City Southern Lessee pursuant to the Kansas City Southern Lease (the "Kansas City Southern Equipment"). If an act is done or omitted to be done by, or an event occurred with respect to, one of the Baltimore Lessee or the Chesapeake Lessee but not both, any and all references to the "Chessie Equipment" with respect to such act, omission or event, or the legal consequences resulting from such act, omission or event, shall mean the units of Chessie Equipment leased by the Baltimore Lessee or Chesapeake Lessee, whichever did or omitted to do such act or with respect to which such event occurred, but not both. Notwithstanding any other provisions of this Agreement, including, without limitation, Articles 15 and 16 hereof but without limiting the effect of Article 21 hereof, it is understood and agreed by the Vendor that the liability of the Trustee for all payments to be made by it under and pursuant to this Agreement in respect of the Equipment and for all performance obligations (other than the payments called for by subparagraph (b) of the third paragraph of this Article and as provided in the proviso to the last paragraph of Article 12 hereof) in respect of the Equipment, shall not exceed an amount equal to, and shall be payable only out of, the income and proceeds from the Equipment. As used herein the term "income and proceeds from the Equipment" shall mean (i) if an event of default shall have occurred under Article 15 hereof in respect of the Lease, either of the Chessie Leases, the Seaboard Lease or the Kansas City Southern Lease, as the case may be, and while it shall be continuing, so much of the following amounts as are indefeasibly received by the Trustee (or any assignee of the Trustee) at any time after any such event of default and during the continuance thereof: (a) all amounts of rental payable pursuant to the Lease, such Chessie Lease, the Seaboard Lease, the Kansas City Southern Lease (as the case may be) and amounts in respect of Casualty Occurrences paid for or with respect to the Equipment pursuant to

the Lease, such Chessie Lease, the Seaboard Lease or the Kansas City Southern Lease (as the case may be) (except any amounts due pursuant to Paragraph 9 of the Participation Agreement) and (b) any and all other payments or proceeds received pursuant to the Lease, such Chessie Lease, the Seaboard Lease or the Kansas City Southern Lease (as the case may be) (except sums that by the express terms of the Lease, such Chessie Lease, the Seaboard Lease or the Kansas City Southern Lease, as the case may be, are payable directly to the Owner or the Trustee pursuant to §§ 6, 9 and 19 of the Lease or §§ 6, 9 and 17 of such Chessie Lease or the Seaboard Lease or §§ 6, 9 and 17 of the Kansas City Southern Lease (as the case may be) or for or with respect to the Equipment as the result of the sale, lease or other disposition thereof, after deducting all costs and expenses of such sale, lease or other disposition) and (ii) at any other time only that portion of the amounts referred to in the foregoing clauses (a) and (b) or otherwise payable to the Trustee pursuant to the Lease, such Chessie Lease, the Seaboard Lease or the Kansas City Southern Lease (as the case may be) as are indefeasibly received by the Trustee or any assignee of the Trustee and as shall equal the portion of the Railgon CSA Indebtedness, Chessie CSA Indebtedness, Seaboard CSA Indebtedness or Kansas City Southern Indebtedness, as the case may be, due and payable on the date such amounts so received were required to be paid pursuant to the Lease, such Chessie Lease, the Seaboard Lease or the Kansas City Southern Lease (as the case may be) or as shall equal any other payments (including payments in respect of Casualty Occurrences as defined in Article 7 hereof) then due and payable under this Agreement; it being understood that "income and proceeds from the Equipment" shall in no event include amounts referred to in the foregoing clauses (a) and (b) that were received by the Trustee or any assignee of the Trustee prior to the existence of such an event of default which exceeded the amounts required to discharge that portion of the Railgon CSA Indebtedness, the Chessie CSA Indebtedness, the Seaboard CSA Indebtedness or the Kansas City Southern Indebtedness, as the case may be, and/or interest thereon due and payable by the Trustee on the date on which amounts received by the Trustee or any assignee of the Trustee were required to be paid pursuant to the Lease, such Chessie Lease, the Seaboard Lease or the Kansas

City Southern Lease (as the case may be) or which exceeded any other payments including payments in respect of Casualty Occurrences due and payable under this Agreement at the time such amounts were payable under the Lease, such Chessie Lease, the Seaboard Lease or the Kansas City Southern Lease (as the case may be). The Vendor agrees that if it obtains a judgment against the Trustee for an amount in excess of the amounts payable by the Trustee pursuant to the limitations set forth in this paragraph, it will, accordingly, limit its execution of such judgment to such amount and it will not bring suit against the Trustee or the Owner for any sums in addition to the amounts payable by the Trustee pursuant to said limitations (or obtain a judgment, order or decree against the Trustee or the Owner for any relief other than the payment of money) except as may be required by applicable rules of procedure to enforce against the Equipment, the Lessee, such Chessie Lessee, the Seaboard Lessee or the Kansas City Southern Lessee, as the case may be, and the Lease, such Chessie Lease, the Seaboard Lease or the Kansas City Southern Lease, as the case may be (rather than against the Trustee personally or the Owner), by appropriate proceedings against the Trustee at law or in equity or otherwise, the obligation to make the payments to be made pursuant to this Agreement or any other payments or performance obligations due to the Vendor under this Agreement. Nothing contained herein limiting the liability of the Trustee or the Owner shall derogate from the right of the Vendor to proceed against the Railgon Equipment, the Chessie Equipment, the Seaboard Equipment or the Kansas City Southern Equipment, as the case may be, or the Lessee, the Chessie Lessee, the Seaboard Lessee or the Kansas City Southern Lessee, as the case may be, as provided for herein or in the Lease, such Chessie Lease, the Seaboard Lease, the Kansas City Southern Lease or the Consent, the Lessee's Consent dated as of October 15, 1984 executed and delivered by the Chessie Lessees, the Lessee's Consent dated as of November 15, 1984 executed and delivered by the Seaboard Lessee or the Lessee's Consent dated as of June 16, 1986 executed and delivered by the Kansas City Southern Lessee, as the case may be, for the full unpaid Purchase Price of the Railgon Equipment, the Chessie Equipment, the Seaboard Equipment or the Kansas City Southern Equipment, as the case may be,

and interest thereon and any and all other payments and obligations under this Agreement.

3. The first paragraph of Article 5 of the CSA is amended to read in its entirety as follows:

> ARTICLE 5. Security Interest in the Equipment. The Vendor shall and hereby does retain a security interest in the Railgon Equipment, the Chessie Equipment, the Seaboard Equipment and the Kansas City Southern Equipment for the benefit of each of the Investors under each of the CSAs (defined below) until the Trustee shall have made all its payments under this Agreement and two Conditional Sale Agreements dated as of October 1, 1980 and February 1, 1981, respectively, as amended, between the Trustee and the Agent, as assignee (such agreements as amended, jointly, the "Other CSAs" and, together with this Agreement, the "CSAs") in respect of (i) the Railgon CSA Indebtedness or the Lease (as such terms are defined herein and in the Other CSAs), (ii) the Chessie CSA Indebtedness or the Chessie Leases (as such terms are defined herein and in the Other CSAs), (iii) the Seaboard CSA Indebtedness or the Seaboard Lease (as such terms are defined herein and in the Other CSAs), or (iv) the Kansas City Southern Indebtedness or the Kansas City Southern Lease (as such terms are defined herein and in the Other CSAs), as the case may be, and shall have kept and performed all its agreements contained in the CSAs in respect thereof notwithstanding any provision of this Agreement or the Other CSAs limiting the liability of the Trustee and notwithstanding the delivery of the Railgon Equipment, the Chessie Equipment, the Seaboard Equipment or the Kansas City Southern Equipment to and the possession and use thereof by the Trustee and the Lessee, a Chessie Lessee, the Seaboard Lessee or the Kansas City Southern Lessee as provided in this Agreement and the Lease, either of the Chessie Leases, the Seaboard Lease or the Kansas City Southern Lease (as the case may be); it being understood that, subject thereto, title to the Equipment (upon delivery and acceptance thereof) shall pass to and remain in the Trustee. Accordingly, after all payments due to become due under the CSAs in respect of the Railgon Equipment,

the Chessie Equipment, the Seaboard Equipment or the Kansas City Southern Equipment (as the case may be) shall have been completed and fully made to or for the account of the Vendor, and the Trustee shall have performed all its other obligations hereunder (without regard to the provisions of the last paragraph of Article 4 hereof or Article 21 hereof) and under the Other CSAs in respect thereof, (a) such payments shall be deemed to represent the discharge in full of the Vendor's security interest in the Railgon Equipment, the Chessie Equipment, the Seaboard Equipment or the Kansas City Southern Equipment (as the case may be) at such time, (b) any moneys remaining in the hands of the Vendor after providing for all outstanding amounts due and payable hereunder in respect thereof shall be paid to the Trustee, and (c) the Vendor shall execute for record in public offices such instrument or instruments in writing as shall be reasonably requested by the Trustee in order to discharge of record the security interest of the Vendor in, and to make clear upon public records the Trustee's full title to, the units of the Railgon Equipment, the Chessie Equipment, the Seaboard Equipment or the Kansas City Southern Equipment (as the case may be) under the laws of any jurisdiction; provided, however, that until that time a security interest in the Equipment hereunder and under the Other CSAs shall be and remain in the Vendor, notwithstanding the possession and use thereof by the Trustee pursuant to the terms of this Agreement. In the event any units of Chessie Equipment, Seaboard Equipment or Kansas City Southern Equipment, as the case may be, have been purchased by a Chessie Lessee, the Seaboard Lessee or the Kansas City Southern Lessee, as the case may be, pursuant to § 13 of the applicable Chessie Lease, Seaboard Lease or the Kansas City Southern Lease, as the case may be, and the security interest in respect of such units has been transferred in accordance with Article 25 hereof to the proceeds of such sale, then, and in such event, the security interest in such units retained by the Vendor pursuant to this Article 5 shall automatically be released and the Vendor shall comply with clause (c) above.

4. (a) The second paragraph of Article 7 of the CSA is amended to read in its entirety as follows:

In the event that any unit of Railgon Equipment, Chessie Equipment, Seaboard Equipment or Kansas City Southern Equipment shall suffer a Casualty Occurrence (as defined in § 7 of the Lease, the Chessie Leases, the Seaboard Lease or the Kansas City Southern Lease, as the case may be) during the term of this Agreement, the Trustee shall, promptly after it shall have received notice from the Lessee, either of the Chessie Lessees, the Seaboard Lessee or the Kansas City Southern Lessee, as the case may be, or otherwise been informed that such unit has suffered a Casualty Occurrence cause the Vendor to be fully informed in regard thereto. On the Casualty Payment Date (as defined in § 7 of each of the Lease, the Chessie Leases, the Seaboard Lease or the Kansas City Southern Lease, as the case may be) next succeeding such notice or information, the Trustee shall, subject to the limitations contained in the last paragraph of Article 4 hereof, pay to the Vendor an amount equal to the Fair Value, as hereinafter defined, of such unit suffering a Casualty Occurrence as of such Casualty Payment Date. On the Casualty Payment Date, the Trustee shall file, or cause to be filed, with the Vendor a certificate setting forth the Fair Value of such unit and the method of determination thereof.

(b) The first sentence of the fifth paragraph of Article 7 of the CSA is amended to read in its entirety as follows:

Any money paid to the Vendor pursuant to this Article shall be applied (after the payment of the interest and principal due on such date) to prepay without penalty or premium, in accordance with Article 24 hereof, the Railgon CSA Indebtedness, the Chessie CSA Indebtedness, the Seaboard CSA Indebtedness or the Kansas City Southern Indebtedness, as the case may be, and the Trustee will promptly furnish to the Vendor and the Lessee, the Chessie Lessees, the Seaboard Lessee or the Kansas City Southern Lessee, as the case may be, a revised schedule of payments of principal and interest thereafter to be made, in such number of counterparts as they may request.

5. The sixth paragraph of Article 7 of the CSA is amended to read in its entirety as follows:

> The "Fair Value" of any unit of Railgon Equipment, Chessie Equipment, Seaboard Equipment or Kansas City Southern Equipment on any date shall be deemed to be an amount computed by multiplying the unpaid principal amount of the Railgon CSA Indebtedness, the Chessie CSA Indebtedness, the Seaboard CSA Indebtedness or the Kansas City Southern Indebtedness, as the case may be, outstanding on such date (after giving effect to any payment in respect thereof due on such date pursuant to Article 4 hereof) by a fraction of which the numerator shall be the Purchase Price of such unit and the denominator shall be the aggregate Purchase Price of all units (including such unit) of Railgon Equipment, Chessie Equipment, Seaboard Equipment or Kansas City Southern Equipment (as the case may be) subject to the CSA on such date.

6. The first paragraph of Article 11 of the CSA is amended to read in its entirety as follows:

> So long as no event of default has occurred and is continuing hereunder, the Trustee shall be entitled to the possession and use of the Equipment and also to enter into the Lease, the Chessie Leases, the Seaboard Lease and the Kansas City Southern Lease and to permit the use of the Equipment as provided in the Lease, the Chessie Leases, the Seaboard Lease and the Kansas City Southern Lease. The Trustee hereby agrees that the Lease and the rights of the Trustee to receive rentals and other payments due and to become due thereunder and under the Chessie Leases, the Seaboard Lease and the Kansas City Southern Lease (except for payments payable directly to the Trustee or the Owner pursuant to §§ 6, 9 and 19 of the Lease and §§ 6, 9 and 17 of each of the Chessie Leases, the Seaboard Lease and the Kansas City Southern Lease), shall be subject and subordinate to this Agreement and the Other CSAs and to the rights of the Vendor hereunder, thereunder and under the Consent, the Lessee's Consent dated as of

October 15, 1984 executed and delivered by each of the Chessie Lessees, the Lessee's Consent dated as of November 15, 1984 executed and delivered by the Seaboard Lessee and the Lessee's Consent dated as of June 16, 1986 executed and delivered by the Kansas City Southern Lessee.

7. The parenthetical reference beginning in the third line of the first paragraph of Article 13 of the CSA is hereby amended to read in its entirety as follows:

"(as defined in § 9 of the Lease, the Chessie Leases, the Seaboard Lease or the Kansas City Southern Lease, as the case may be, but such term with respect to the Chessie Leases, the Seaboard Lease or the Kansas City Southern Lease, as the case may be, shall be deemed also to include any claim, cause of action, suit, penalty, demand or judgment, of any nature whatsoever, arising out of the Vendor's holding a security interest under the CSAs or under the two Assignments of Leases dated as of October 15, 1984 executed by the Trustee with respect to each of the Chessie Leases, the Assignment of Lease dated as of November 15, 1984 executed by the Trustee with respect to the Seaboard Lease or the Assignment of Lease dated as of June 16, 1986 executed by the Trustee with respect to the Kansas City Southern Lease)".

8. Article 15 of the CSA is amended to read in its entirety as follows:

ARTICLE 15. Defaults. In the event that any one or more of the following events of default shall occur, to wit:

(a) the Trustee shall default in the payment of the principal or interest on the Railgon CSA Indebtedness, the Chessie CSA Indebtedness, the Seaboard CSA Indebtedness or the Kansas City Southern CSA Indebtedness, as the case may be, or in the payment in respect of a Casualty Occurrence under Article 7 here-

of, and such default shall continue for more than ten days after the same shall have become due and payable, without regard to any limitation of liability contained in Article 4 or 21 hereof, or

(b) the Trustee shall, without regard to any limitation contained in Article 4 or 21 hereof, fail or refuse to comply with any other of the terms and covenants of this Agreement or the Lease Assignment, the Assignments of Lease dated as of October 15, 1984 executed and delivered by the Trustee in respect of the Chessie Leases, the Assignment of Lease dated as of November 15, 1984 executed and delivered by the Trustee in respect of the Seaboard Lease or the Assignment of Lease dated as of June 16, 1986 executed and delivered by the Trustee in respect of the Kansas City Southern Lease on its part to be kept and performed (except as provided in clause (d) of this Article), or to make provision satisfactory to the Vendor for such compliance, and such noncompliance shall continue for more than 30 days after the Vendor shall have demanded in writing performance thereof, or

(c) the Lessee, either of the Chessie Lessees, the Seaboard Lessee or the Kansas City Southern Lessee, as the case may be, shall fail or refuse to comply with any terms, covenants, agreement or provision of the Participation Agreement made expressly for the benefit of the Assignee or the Investors, on its part to be kept or performed, and the Lessee, either of the Chessie Lessees, the Seaboard Lessee or the Kansas City Southern Lessee, as the case may be, or the Trustee shall not make provision satisfactory to the Vendor for such compliance, and such noncompliance shall continue for more than 30 days after the Vendor shall have demanded in writing performance thereof, or

(d) the Trustee, except as herein authorized or contemplated, shall make or suffer any unauthorized transfer or sublease (including, for the purpose of this clause, contracts for the use thereof) of any unit of Equipment and shall fail or refuse either to cause such

transfer or sublease to be cancelled by agreement of all parties having any interest therein or recover possession of such unit of Equipment, as the case may be, within 30 days after the Vendor shall have demanded in writing such cancellation or recovery of possession, or within said 30 days to deposit with the Vendor a sum in cash equal to the then Fair Value (as defined in Article 7 hereof) of such unit of Equipment (any sum so deposited to be returned to the Trustee upon the cancellation of such transfer or sublease or the recovery of possession by the Trustee of such unit of Equipment), or

(e) any proceeding shall be commenced by or against the Trustee, in its capacity as trustee, or the Owner for any relief under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a proceeding which does not permit any readjustment of the obligations hereunder or (i) under the Lease, the Lease Assignment, the Consent or the Participation Agreement or the Trust Agreement of the Trustee, in such capacity, or the Owner, as the case may be, (ii) under the Chessie Leases, the Assignments of Lease dated as of October 15, 1984 executed and delivered by the Trustee or the Lessee's Consent dated as of October 15, 1984 executed and delivered by the Chessie Lessees, (iii) under the Seaboard Lease, the Assignment of Lease dated as of November 15, 1984 executed and delivered by the Trustee or the Lessee's Consent dated as of November 15, 1984 executed and delivered by the Seaboard Lessee or (iv) under the Kansas City Southern Lease, the Assignment of Lease dated as of June 16, 1986 executed and delivered by the Trustee or the Lessee's Consent dated as of June 16, 1986 executed and delivered by the Kansas City Southern Lessee) and, unless such proceeding shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all such obligations shall not be duly assumed in writing, pursuant to a court order or decree, by a

trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Trustee, in such capacity, or the Owner, as the case may be, or for its or their property in connection with any such proceeding in such manner that such obligations have the same status as expenses of administration and obligations incurred by such a trustee or trustees or receiver or receivers, within 60 days after such proceeding shall have been commenced, or

(f) any Event of Default (as defined in the Lease, in either of the Chessie Leases, in the Seaboard Lease or in the Kansas City Southern Lease) shall have occurred and be continuing under the Lease, such Chessie Lease, the Seaboard Lease or the Kansas City Southern Lease, as the case may be, unless the Trustee shall have cured the corresponding event of default hereunder within 5 days of such event of default; provided, however, that if more than four Events of Default or more than two consecutive Events of Default shall have occurred under clause (A) of § 10 of the Lease, such Chessie Lease, the Seaboard Lease or the Kansas City Southern Lease, as the case may be, any such Event of Default shall be an event of default hereunder whether or not the corresponding event of default hereunder is cured, or

(g) any event of default shall have occurred and be continuing under either of the Other CSAs;

then at any time after the occurrence of such an event the Vendor may, upon written notice to the Trustee and the Lessee, the Chessie Lessee, the Seaboard Lessee or the Kansas City Southern Lessee, as the case may be, and upon compliance with any legal requirements then in force and applicable to such action by the Vendor, declare ("Declaration of Default") the entire unpaid balance of the Railgon CSA Indebtedness, Chessie CSA Indebtedness, Seaboard CSA Indebtedness or Kansas City Southern CSA Indebtedness, as the case may be, together with the interest thereon then accrued and unpaid, immediately due and payable, without further demand, and thereafter the aggregate of the unpaid balance

of such Railgon CSA Indebtedness, Chessie CSA Indebtedness, Seaboard CSA Indebtedness or Kansas City Southern CSA Indebtedness, as the case may be, and interest shall bear interest from the date of such Declaration of Default at the rate per annum specified in Article 4 hereof as being applicable to amounts remaining unpaid after becoming due and payable, to the extent legally enforceable. In addition, if the Trustee does not pay such entire unpaid balance of such Railgon CSA Indebtedness, Chessie CSA Indebtedness, Seaboard CSA Indebtedness or Kansas City Southern CSA Indebtedness, as the case may be, together with the interest thereon accrued and unpaid to the date of payment within 15 days of such notice of Declaration of Default, the Vendor may cause the Lease, Chessie Lease, Seaboard Lease or Kansas City Southern Lease, as the case may be, immediately to terminate (and the Trustee acknowledges the right of the Vendor to terminate such Lease, Chessie Lease, Seaboard Lease or Kansas City Southern Lease) but without affecting the indemnities which by the provisions of such Lease, Chessie Lease, Seaboard Lease or Kansas City Southern Lease survive its termination. Upon a Declaration of Default, subject to Articles 4 and 21 hereof, the Vendor shall be entitled to recover judgment for the entire unpaid balance of such Railgon CSA Indebtedness, Chessie CSA Indebtedness, Seaboard CSA Indebtedness or Kansas City Southern CSA Indebtedness, as the case may be, so payable, with interest as aforesaid, and to collect such judgment out of property of the Trustee held in respect of the Railgon CSA Indebtedness, the Chessie CSA Indebtedness, the Seaboard CSA Indebtedness or the Kansas City Southern CSA Indebtedness, as the case may be, subject to the provisions of Article 4 and 21 hereof, wherever situated. The Trustee shall promptly notify the Vendor and each Investor of any event of which an officer or employee of its corporate trust department has actual knowledge which constitutes, or with the giving of notice and/or lapse of time would constitute, an event of default under this Agreement.

The Vendor may, at its election, waive any such event of default and its consequences and rescind and annul any Declaration of Default or notice of termination of the Lease, the Chessie Lease, the Seaboard Lease or the Kansas City Southern Lease, as the case may be, by notice to

the Trustee and the Lessee, Chessie Lessee, Seaboard Lessee or Kansas City Southern Lessee, as the case may be, in writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such event of default had occurred and no Declaration of Default or notice of termination of the Lease, Chessie Lease, Seaboard Lease or Kansas City Southern Lease had been made or given. Notwithstanding the provisions of this paragraph, it is expressly agreed by the Trustee that time is of the essence of this Agreement and that no such waiver, rescission or annulment shall extend to or affect any other or subsequent default or impair any rights or remedies consequent thereon.

It is expressly acknowledged that (1) an event of default under any subparagraph of this Article 15 arising by reason of a default by the Trustee in respect of the Railgon CSA Indebtedness or a default by the Lessee in respect of the Lease shall not constitute an event of default under this Article 15 in respect of (i) the Chessie CSA Indebtedness or either of the Chessie Leases, (ii) the Seaboard CSA Indebtedness or the Seaboard Lease, or (iii) the Kansas City Southern CSA Indebtedness or the Kansas City Southern Lease, (2) an event of default under any subparagraph of this Article 15 arising by reason of a default by the Trustee in respect of the Chessie CSA Indebtedness or a default by a Chessie Lessee in respect of a Chessie Lease shall not constitute an event of default under this Article 15 in respect of (i) the Railgon CSA Indebtedness or the Lease, (ii) the Seaboard CSA Indebtedness or the Seaboard Lease, or (iii) the Kansas City Southern CSA Indebtedness or the Kansas City Southern Lease, (3) an event of default under any subparagraph of this Article 15 arising by reason of a default by the Trustee in respect of the Seaboard CSA Indebtedness or a default by the Seaboard Lessee in respect of the Seaboard Lease shall not constitute an event of default under this Article 15 in respect of (i) the Railgon CSA Indebtedness or the Lease, (ii) the Chessie CSA Indebtedness or either of the Chessie Leases, or (iii) the Kansas City Southern CSA Indebtedness or the Kansas City Southern Lease, and (4) an event of default under any subparagraph of this Article 15 arising by reason of a default by the Trustee in respect of the Kansas City Southern

CSA Indebtedness or a default by the Kansas City Southern Lessee in respect of the Kansas City Southern Lease shall not constitute an event of default under this Article 15 in respect of (i) the Railgon CSA Indebtedness or the Lease, (ii) the Chessie CSA Indebtedness or either of the Chessie Leases, or (iii) the Seaboard CSA Indebtedness or the Seaboard Lease.

9. The first sentence of Article 16 of the CSA is amended to read in its entirety as follows:

For purposes of this Article, the word "Equipment" means the Equipment leased by the Trustee under any of the Lease, the Chessie Leases, the Seaboard Lease or the Kansas City Southern Lease with respect to which a Declaration of Default has occurred and is continuing.

10. The third through sixth paragraphs of Article 16 of the CSA are amended to read in their entirety as follows:

At any time during the continuance of a Declaration of Default with respect to the Lease, a Chessie Lease, the Seaboard Lease or the Kansas City Southern Lease, the Vendor (after retaking possession of the Equipment as hereinbefore in this Article 16 provided) may, upon such notice and consent as is hereinafter set forth, retain the Equipment in satisfaction of the entire Railgon CSA Indebtedness, Chessie CSA Indebtedness, Seaboard CSA Indebtedness or Kansas City Southern CSA Indebtedness, as the case may be, under this Agreement and under, and as defined in, the Other CSAs in respect of such Lease, Chessie Lease, Seaboard Lease or Kansas City Southern Lease, as the case may be, and make such disposition thereof as the Vendor shall deem fit. Written notice of the Vendor's election to retain the Equipment shall be given to the Trustee, the Owner and to the Lessee, the Chessie Lessee, the Seaboard Lessee, or the Kansas City Southern Lessee, as the case may be, by

telegram or registered mail, addressed as provided in Article 20 hereof, and to any other persons to whom the law may require notice, within 30 days after such Declaration of Default. In the event that the Vendor shall elect to retain the Equipment and the Trustee does not object thereto in writing as described in the second proviso below, all the Trustee's rights in the Equipment shall thereupon terminate and all payments made by the Trustee or for its account in respect of the Equipment may be retained by the Vendor as compensation for the use of the Equipment; provided, however, that if the Trustee, before the expiration of the 30 day period described in the proviso below, should pay or cause to be paid to the Vendor the total unpaid balance of the Railgon CSA Indebtedness, the Chessie CSA Indebtedness, the Seaboard CSA Indebtedness or the Kansas City Southern CSA Indebtedness, as the case may be, under this Agreement and under, and as defined in, the Other CSAs in respect of such Lease, Chessie Lease, Seaboard Lease or Kansas City Southern Lease, as the case may be, together with interest thereon accrued and unpaid and all other payments due under this Agreement, then in such event absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Trustee; provided, further, that if the Trustee, the Owner, or such Lessee, Chessie Lessee, Seaboard Lessee or Kansas City Southern Lessee, as the case may be, or any other persons notified under the terms of this paragraph object in writing to the Vendor within 30 days from the receipt of notice of the Vendor's election to retain the Equipment, then the Vendor may not so retain the Equipment, but shall sell, lease or otherwise dispose of it or continue to hold it pending sale, lease or other disposition as hereinafter provided or as may otherwise be permitted by law. If the Vendor shall not have given notice to retain as hereinabove provided or notice of intention to dispose of the Equipment in any other manner, it shall be deemed to have elected to sell the Equipment in accordance with the provisions of this Article 16.

At any time during the continuance of a Declaration of Default, the Vendor, with or without retaking possession of the Equipment, at its election and upon 30 days' notice to the Trustee, and to the Lessee, the Chessie Lessee, the Seaboard Lessee or the Kansas City Southern Lessee, as the case may

be, and any other persons to whom the law may require notice of the time and place, may sell the Equipment, or one or more of the units thereof, free from any and all claims of the Trustee, or such Lessee, Chessie Lessee, Seaboard Lessee or Kansas City Southern Lessee, or any other party claiming from, through or under the Trustee or such Lessee, Chessie Lessee, Seaboard Lessee or Kansas City Southern Lessee, at law or in equity, at public or private sale and with or without advertisement as the Vendor may determine; provided, however, that if, prior to such sale and prior to the making of a contract for such sale, the Trustee should tender full payment of the total unpaid balance of the Railgon CSA Indebtedness, Chessie CSA Indebtedness, Seaboard CSA Indebtedness or Kansas City Southern CSA Indebtedness, as the case may be, under this Agreement and under, and as defined in, the Other CSAs in respect of the Lease, the Chessie Lease, the Seaboard Lease or the Kansas City Southern Lease, as the case may be, together with interest thereon accrued and unpaid and all other payments due under this Agreement and the Other CSAs as well as expenses of the Vendor in retaking possession of, removing, storing, holding and preparing the Equipment for, and otherwise arranging for, the sale and the Vendor's reasonable attorneys' fees, then upon receipt of such payment, expenses and fees by the Vendor, absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Trustee. The proceeds of such sale or other disposition, less the attorneys' fees and any other expenses incurred by the Vendor in retaking possession of, removing, storing, holding, preparing for sale and selling or otherwise disposing of the Equipment, shall be credited on the amount due to the Vendor under the provisions of this Agreement.

Any sale hereunder may be held or conducted at New York, New York, at such time or times as the Vendor may specify (unless the Vendor shall specify a different place or places, in which case the sale shall be held at such place or places as the Vendor may specify), in one lot and as an entirety or in separate lots and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Vendor may determine, so long as such sale shall be conducted in a commercially reasonable manner. The Vendor,

the Trustee and the Owner may bid for and become the purchaser of the Equipment, or any unit thereof, so offered for sale. The Trustee and the Lessee, the Chessie Lessee, the Seaboard Lessee or the Kansas City Southern Lessee, as the case may be, shall be given written notice of such sale or the making of a contract for such sale not less than 30 days prior thereto, by telegram or registered mail addressed as provided in Article 20 hereof. In the event that the Vendor shall be the purchaser of the Equipment, it shall not be accountable to the Trustee or to such Lessee, Chessie Lessee, Seaboard Lessee or Kansas City Southern Lessee, as the case may be (except to the extent of surplus money received as hereinafter provided in this Article 16), and in payment of the purchase price therefor the Vendor shall be entitled to have credited on account thereof all or any part of sums due to the Vendor hereunder.

Each and every power and remedy hereby specifically given to the Vendor shall be in addition to every other power and remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by the Vendor except that the Vendor shall not be deemed to have the power or remedy to retain the Equipment in satisfaction of the Railgon CSA Indebtedness, Chessie CSA Indebtedness, Seaboard CSA Indebtedness or Kansas City Southern CSA Indebtedness, as the case may be, in respect of the Lease, the Chessie Lease, the Seaboard Lease or the Kansas City Southern Lease, as the case may be, except as specifically provided in this Article 16. All such powers and remedies shall be cumulative, and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Vendor in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein. Any extension of time for payment hereunder or other indulgence duly granted to the Trustee or to the Lessee, the Chessie Lessee, the Seaboard Lessee or the Kansas City Southern Lessee, as the case may be, shall not otherwise alter or affect the Vendor's rights or the Trustee's obliga-

tions hereunder. The Vendor's acceptance of any payment after it shall have become due hereunder shall not be deemed to alter or affect the Trustee's obligation or the Vendor's rights hereunder with respect to any subsequent payments or default therein.

11. Article 20 of the CSA is amended by adding the following new clause after clause (g) thereof:

(h) to the Kansas City Southern Lessee at 114 West 11th Street, Kansas City, Missouri 64105, attention of W.N. Deramus,

12. The second paragraph of Article 21 of the CSA is amended to read in its entirety as follows:

The obligations of the Trustee under the second, seventh and eighth paragraphs of Article 16 and under Articles 3, 6, 7 (other than the second and third sentences of the second paragraph thereof), 8, 9, 10, 12 (other than the proviso to the last paragraph thereof), 13 and 18 hereof shall be deemed in all respects satisfied by the Lessee's undertakings contained in the Lease, the Chessie Lessees' undertakings under the Chessie Leases, the Seaboard Lessee's undertakings under the Seaboard Lease and the Kansas City Southern Lessee's undertakings under the Kansas City Southern Lease. The Trustee shall not have any responsibility or liability for the Lessee's, the Chessie Lessees', the Seaboard Lessee's or the Kansas City Southern Lessee's failure to perform such obligations, but if the same shall not be performed they shall constitute the basis for an event of default hereunder pursuant to Article 15 hereof. Until the security interest of the Vendor in this Agreement is discharged as provided in Article 5 hereof, no waiver or amendment of the Lessee's undertakings under the Lease, the Chessie Lessees' undertakings under the Chessie Leases, the Seaboard Lessee's undertakings under the Seaboard Lease or the Kansas City Southern Lessee's undertakings under the Kansas City Southern Lease shall be effective unless joined in by the Vendor.

13. Articles 24 and 25 of the CSA are amended to read in their entirety as follows:

ARTICLE 24. Investors' Interests in Equipment. For purposes of this Article, (i) the term "Railgon Equipment Interest" shall mean, as to each Investor under each of the CSAs as of the date of determination, a percentage equal to the proportion of (a) the sum of such Investor's Railgon CSA Indebtedness under this Agreement and under, and as defined in, the Other CSAs to (b) the aggregate of all Railgon CSA Indebtedness under this Agreement and under, and as defined in, the Other CSAs, (ii) the term "Chessie Equipment Interest" shall mean, as to each Investor under each of the CSAs as of the date of determination, a percentage equal to the proportion of (a) the sum of such Investor's Chessie CSA Indebtedness under this Agreement and under, and as defined in, the Other CSAs to (b) the aggregate of all Chessie CSA Indebtedness under this Agreement and under, and as defined in, the Other CSAs, (iii) the term "Seaboard Equipment Interest" shall mean, as to each Investor under each of the CSAs as of the date of determination, a percentage equal to the proportion of (a) the sum of such Investor's Seaboard CSA Indebtedness under this Agreement and under, and as defined in, the Other CSAs to (b) the aggregate of all Seaboard CSA Indebtedness under this Agreement and under, and as defined in, the Other CSAs, and (iv) the term "Kansas City Southern Equipment Interest" shall mean, as to each Investor under each of the CSAs as of the date of determination, a percentage equal to the proportion of (a) the sum of such Investor's Kansas City Southern CSA Indebtedness under this Agreement and under, and as defined in, the Other CSAs to (b) the aggregate of all Kansas City Southern CSA Indebtedness under this Agreement and under, and as defined in, the Other CSAs. Each Investor's interest in the Railgon Equipment in respect of the Lease and in the Railgon Equipment leased under the Leases of Railroad Equipment dated as of October 1, 1980 and February 1, 1981, respectively, as amended, between the Trustee and the Lessee (as so amended, together with the Lease, the "Leases") and in all proceeds from the sale, transfer, conveyance, lease, contract for use or other disposition of each thereof as a result of or in

connection with an event of default under any of the CSAs in respect of any Railgon CSA Indebtedness or the Leases or any Event of Default under any of the Leases shall be equal to such Investor's Railgon Equipment Interest. Notwithstanding any provision contained in any of the CSAs to the contrary, upon the receipt by the Agent of (i) any proceeds of the Railgon Equipment from any of the events described in the preceding sentence or (ii) any payments in respect of Casualty Occurrences under any of the Leases, the Agent shall distribute to each Investor an amount equal to the product of (x) such Investor's Railgon Equipment Interest and (y) all such amounts received by the Agent in respect of such event. Each Investor's interest in the Chessie Equipment in respect of the Chessie Leases and in all proceeds from the sale, transfer, conveyance, lease, contract for use or other disposition of each thereof as a result of or in connection with an event of default under any of the CSAs in respect of any Chessie CSA Indebtedness or the Chessie Leases or any Event of Default under any of the Chessie Leases shall be equal to such Investor's Chessie Equipment Interest. Notwithstanding any provision contained in any of the CSAs to the contrary, upon the receipt by the Agent of (i) any proceeds of the Chessie Equipment from any of the events described in the preceding sentence or (ii) any payments in respect of Casualty Occurrences under either of the Chessie Leases, the Agent shall distribute to each Investor an amount equal to the product of (x) such Investor's Chessie Equipment Interest and (y) all such amounts received by the Agent in respect of such event. Each Investor's interest in the Seaboard Equipment in respect of the Seaboard Lease and in all proceeds from the sale, transfer, conveyance, lease, contract for use or other disposition of each thereof as a result of or in connection with an event of default under any of the CSAs in respect of any Seaboard CSA Indebtedness or the Seaboard Lease or any Event of Default under the Seaboard Lease shall be equal to such Investor's Seaboard Equipment Interest. Notwithstanding any provision contained in any of the CSAs to the contrary, upon the receipt by the Agent of (i) any proceeds of the Seaboard Equipment from any of the events described in the preceding sentence or (ii) any payments in respect of Casualty Occurrences under the Seaboard Lease, the Agent shall distribute to each Investor an amount equal

to the product of (x) such Investor's Seaboard Equipment Interest and (y) all such amounts received by the Agent in respect of such event. Each Investor's interest in the Kansas City Southern Equipment in respect of the Kansas City Southern Lease and in all proceeds from the sale, transfer, conveyance, lease, contract for use or other disposition of each thereof as a result of or in connection with an event of default under any of the CSAs in respect of any Kansas City Southern CSA Indebtedness or the Kansas City Southern Lease or any Event of Default under the Kansas City Southern Lease shall be equal to such Investor's Kansas City Southern Equipment Interest. Notwithstanding any provision contained in any of the CSAs to the contrary, upon the receipt by the Agent of (i) any proceeds of the Kansas City Southern Equipment from any of the events described in the preceding sentence or (ii) any payments in respect of Casualty Occurrences under the Kansas City Southern Lease, the Agent shall distribute to each Investor an amount equal to the product of (x) such Investor's Kansas City Southern Equipment Interest and (y) all such amounts received by the Agent in respect of such event.

ARTICLE 25. Vendor's Lien on Proceeds. Notwithstanding anything contained in this Agreement to the contrary, in the event either of the Chessie Lessees, the Seaboard Lessee or the Kansas City Southern Lessee, as the case may be, elects to purchase the units of Chessie Equipment, Seaboard Equipment or Kansas City Southern Equipment, as the case may be, leased to it in accordance with the provisions of § 13 of the Chessie Lease, Seaboard Lease or Kansas City Southern Lease to which it is a party, as the case may be, unless the Trustee shall have made all its payments under this Agreement and shall have kept and performed all of its agreements herein contained in respect of such Chessie Lease,the Seaboard Lease or the Kansas City Southern Lease, as the case may be, at the time such Chessie Lessee, Seaboard Lessee or Kansas City Southern Lessee, as the case may be, is obligated to pay all or any portion of the purchase price for such units, the Agent may direct such Chessie Lessee, Seaboard Lessee or Kansas City Southern Lessee, as the case may be, to pay over such proceeds to the Agent as security for the performance of the Trustee's remaining obligations under the

CSA in respect of such Chessie Lease, Seaboard Lease or Kansas City Southern Lease, as the case may be. If the Chessie Lessee, Seaboard Lessee or Kansas City Southern Lessee, as the case may be, has paid over all or a portion of such purchase price to the Trustee, unless the Trustee shall have made all payments under this Agreement and shall have kept and performed all of its agreements herein contained, the Trustee shall be deemed to hold such proceeds in trust for the benefit of the Agent and shall forthwith turn over such proceeds, or portion thereof, to the Agent as shall be necessary in the sole discretion of the Agent to provide adequate security for such payment or performance on the part of the Trustee. If the Trustee fails to make any such payment or to keep or perform any such obligation after written demand by the Agent is made therefor, the Agent may, upon 30 days' written notice to the Trustee (and any other persons to whom the law may require notice) retain all or part of such purchase price free and clear of any claims of the Trustee or any other party claiming from, through or under the Trustee. If the Trustee remedies such failure within such 30 day period, the Vendor shall return to the Trustee that portion of the purchase price held by it, but without interest.

14. Except as expressly set forth herein, the provisions of this Agreement shall be effective as of the Amendment No. 3 Closing Date, as such term is defined in Amendment No. 3 to the Override and Restructuring Agreement dated as of June 16, 1986 by and among the Lessee, the Agent, the Owner, the Trustee, the Investors and Trailer Train Company. Except as modified or amended hereby, the CSA shall remain in full force and effect in accordance with

its terms. This Agreement may be executed in two or more counterparts which when taken together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the date first above written.

THE CONNECTICUT BANK AND TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

[Seal] By _____

Attest:

_____

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Agent

[Seal] By _____

Attest:

_____

its terms. This Agreement may be executed in two or more counterparts which when taken together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the date first above written.

THE CONNECTICUT BANK AND TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

[Seal] By_____

Attest:

_____

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Agent

[Seal] By_____
VICE PRESIDENT

Attest:

_____
M. WINGATE PRITCHETT
ASSISTANT CORPORATE TRUST OFFICER

STATE OF CONNECTICUT)
) ss.:
COUNTY OF HARTFORD)

On this 16th day of June, 1986, before me personally appeared V. Kreuscher, to me personally known, who, being by me duly sworn, says that he is the ASSISTANT VICE PRESIDENT of The Connecticut Bank and Trust Company, National Association, one of the corporations described in and which executed the foregoing instrument, that said instrument was signed 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.

Earla Mae Sheppard
Notary Public

[Notarial Seal]

My Commission Expires:
EARLA MAE SHEPPARD
NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31, 1989

STATE OF Maryland)
) ss.:
COUNTY OF Baltimore)

On this 16 th day of June, 1986, before me personally appeared R. E. Schreiber , to me personally known, who, being by me duly sworn, says that he is the VICE PRESIDENT of Mercantile-Safe Deposit and Trust Company, one of the corporations described in and which executed the foregoing instrument, that said instrument was signed 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.

Patricia A. Conn
Notary Public

[Notarial Seal]

My Commission Expires: 7-1-86

DISTRICT OF COLUMBIA) SS.:

CERTIFICATION OF TRUE COPY

I, Allen H. Harrison, Jr., a member of the Bars of the District of Columbia and the Commonwealth of Virginia, do hereby certify that I have compared the attached copy of the document entitled

Amendment to Conditional Sale Agreement (No. 1)

with an executed original counterpart thereof and find the said attached copy to be in all respects a true, correct and complete copy of the aforesaid executed original counterpart.

IN WITNESS WHEREOF, the undersigned has hereto affixed his signature this 20th day of June, 1986

Allen H. Harrison, Jr.

Subcribed and sworn to
before me this 20th day
of June, 1986.

Notary Public, D.C.

My commission expires: 9-30-90