

Michael C. Bynane
Assistant General Attorney

April 24, 1980



REGISTERED MAIL

Ms. Agatha L. Mergenovich, Secretary
Interstate Commerce Commission
12th Street and Constitution Avenue, N.W.
Washington, D.C. 20423

RECORDATION NO. 11392-A Filed 1017
Law Department
Terminal Tower
P. O. Box 6419
Cleveland, Ohio 44101
216 623 2472

APR 30 1980 - 9 15 AM

INTERSTATE COMMERCE COMMISSION

Dear Ms. Mergenovich:

Pursuant to 49 U.S.C. §11303 and the Commission's rules and regulations thereunder, as currently administered, I enclose herewith for filing and recordation two counterparts of an Amendment to Equipment Lease dated as of April 1, 1980 between Harold K. Criswell, Weldon J. Smith and Bruce L. Cronander, as Trustee, Lessor, and The Chesapeake and Ohio Railway Company, Lessee, amending a certain Equipment Lease dated as of January 1, 1980, between the aforementioned parties which was recorded with the Commission on January 21, 1980, at 11:30 a.m. under recordation number 11392.

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

- (1) Trustee - Lessor:

Harold K. Criswell, Weldon J. Smith and
Bruce L. Cronander
c/o Matrix Leasing International Inc.
555 California Street
San Francisco, California 94014

- (2) Lessee:

The Chesapeake and Ohio Railway Company
One Charles Center (Room 2012)
100 N. Charles Street
Baltimore, Maryland 21201

RECEIVED
APR 30 9 11 AM '80
I.C.C.
FEE OPERATION BR.

The equipment covered by the aforementioned Lease consists of the equipment listed on Exhibit A to the Amendment.

There is also enclosed our check in the amount of \$10 payable to the Interstate Commerce Commission representing the fee for recording the aforementioned Amendment.

Please stamp both counterparts of the enclosed document with your official recording stamp. You will wish to retain one counterpart of the Lease for your files. Kindly return the remaining counterpart to the undersigned.

Very truly yours,

Michael C. Bynane

MCB:aj



The Chessie System railroads are the C&O, B&O, WM and affiliated lines. Chessie System, Inc. is the parent for the railroads, Chessie Resources, Inc., Western Pocahontas Corp. and The Greenbrier.

0-12/17010
APR 30 1980
Date
Fee \$ 10.00

ICC Washington, D.C.

Interstate Commerce Commission
Washington, D.C. 20423

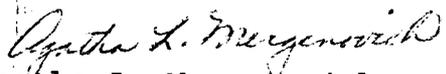
5/5/80

OFFICE OF THE SECRETARY

Michael C. Bynane
Assist. Gen. Atty.
Chessie System
Terminal Tower
P.O.Box 6419
Cleveland, Ohio 44101
Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 4/30/80 at 9:15am , and assigned re-
recording number(s). 11392-A

Sincerely yours,


Agatha L. Mergenovich
Secretary

Enclosure(s)

APR 30 1980 - 9 13 AM

AMENDMENT TO EQUIPMENT LEASE

INTERSTATE COMMERCE COMMISSION

THIS AMENDMENT TO EQUIPMENT LEASE dated as of April 1, 1980 between HAROLD K. CRISWELL, WELDON J. SMITH AND BRUCE L. CRONANDER, as Trustee under a Trust Agreement dated as of the 1st day of January, 1980, with LLOYDS BANK CALIFORNIA and FIRST NATIONAL BANK OF MINNEAPOLIS, as Trustors (said Trustee acting in such capacity being hereinafter called "Lessor" in this Amendment to Equipment Lease).

WITNESSES:

WHEREAS, Lessor and The Chesapeake and Ohio Railway Company ("Lessee") entered into a certain Equipment Lease dated as of the 1st day of January, 1980 (the "Lease") providing for the lease by Lessor to Lessee of certain maintenance of way equipment (the "Equipment") for a total Lessor's Cost of \$1,808,903, the description of said Equipment more specifically set forth in Exhibit 1 to said Lease; and

WHEREAS, Lessor and Lessee have agreed that Lessor shall lease to Lessee additional Equipment at a Lessor's Cost of \$2,000,000, at revised Basic, Daily and Renewal Lease Rate Factors; and

WHEREAS, Lessor and Lessee have agreed that Lessor's Cost of all Equipment to be leased pursuant to the Lease will therefore be in an amount equal to \$3,808,903; and

WHEREAS, Lessor and Lessee desire to amend the Lease to reflect such agreement;

NOW THEREFORE, in consideration of these premises and other good and valuable considerations, Lessor and Lessee hereby agree as follows:

1. The Lease is amended by deleting Exhibit 1 thereto in its entirety and substituting Exhibit 1(Amended), as attached hereto as Exhibit A.
2. The Lease as herein above amended shall continue in full force and effect. Lessee and Lessor acknowledge that all of their respective obligations and duties under the Lease as amended hereby shall continue in full force and effect. All references in the Lease to "this Lease", "the Lease", "herein", "hereunder" and the like shall mean the Lease as amended hereby.
3. Lessee represents and warrants to Lessor that the execution and delivery of this Amendment to Equipment Lease has been duly authorized by all necessary corporate action and that the Lease, as amended, is legal, valid and binding upon Lessee and enforceable against Lessee in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due authority, have caused this Amendment to Equipment Lease to be signed in their respective names by duly authorized persons.

LESSEE

LESSOR

THE CHEASPEAKE AND OHIO RAILWAY COMPANY

By: James E. [Signature]

HAROLD K. CRISWELL, WELDON J. SMITH AND BRUCE L. CORNANDER not in their individual capacities, but solely as Trustees

By: Weldon J. Smith

By: Harold K. Criswell

By: [Signature]

EXHIBIT A TO AMENDMENT TO EQUIPMENT LEASE

Harold K. Criswell, Weldon J. Smith and Bruce L. Cronander
not in their individual capacities but solely as Trustee

as Lessor

THE CHESAPEAKE AND OHIO RAILWAY COMPANY

as Lessee

Equipment Lease Schedule No. (1,2,3 etc)

to

Equipment Lease Dated January 1, 1980

Various of the Equipment described below (the "Equipment"), not to exceed a maximum Lessor's Total Cost of \$3,808,903 in the aggregate, is hereby leased by Lessor to Lessee for business use on the terms and conditions of this Schedule and the Equipment Lease between the parties dated as of January 1, 1980 (the "Equipment Lease").

1. Description of the Equipment:

<u>Quantity</u>	<u>Manufacturer or Vendor</u>	<u>Description</u>	<u>I.D. or Serial No.</u>	<u>Unit Cost</u>	<u>Lessor's Cost</u>
6	Various	Tie Handler	To Follow	\$ 28,462.00	\$ 170,772.00
22	"	Tie Remover- Insertter	"	\$ 36,600.00	\$ 805,200.00
7	"	Ballast Regulator	"	\$ 66,490.00	\$ 465,430.00
3	"	Dual Cribber	"	\$ 44,900.00	\$ 134,700.00
19	"	Air Compressor	"	\$ 41,362.00	\$ 785,878.00
19	"	Hydraulic Spike Drive	"	\$ 55,600.00	\$1,056,400.00
3	"	Straight Tamper	"	\$ 66,625.00	\$ 199,875.00
8	"	Spot Tamper	"	\$ 74,520.00	\$ 596,160.00
2	"	Production Tamper	"	\$149,237.00	\$ 298,474.00
1	"	Carrydeck Crane	"	\$ 42,000.00	\$ 42,000.00
3	"	D6 Bulldozers	"	\$ 81,660.00	\$ 244,980.00
1	"	D4 Bulldozer	"	\$ 42,104.00	\$ 42,104.00
1	"	Speed Swing & Acc.	"	\$ 96,018.00	\$ 96,018.00
2	"	Tie Unloaders	"	\$ 78,000.00	\$ 156,000.00
14	"	Lift Trucks	"	\$ 20,000.00	\$ 280,000.00
2	"	Brushcutters	"	\$119,051.00	\$ 238,102.00
1	"	Brushcutter	"	\$110,045.00	\$ 110,051.00
2	"	Production Tampers	"	\$138,720.00	\$ 277,440.00
4	"	Straight Tampers	"	\$ 91,052.00	\$ 364,208.00

3. Rent.

Lessor's Total Cost:	<u>\$3,808,903.00</u>
Basic Term:	<u>July 15, 1980 - July 14, 1988</u>
First Basic Rent Date:	<u>January 15, 1981</u>
Last Basic Rent Date:	<u>July 14, 1988</u>
Basic Rent Dates:	<u>each July 15 and January 15</u>
Basic Lease Rate Factor:	<u>7.078510% (for first \$1,808,903)</u> <u>8.371899% (for next \$2,000,000)</u>
Daily Lease Rate Factor:	<u>.039325% (for first \$1,808,903)</u> <u>.046511% (for next \$2,000,000)</u>
Renewal Lease Rate Factor:	<u>3.539255% (for first \$1,808,903)</u> <u>4.185950% (for next \$2,000,000)</u>

Lessee agrees to pay Lessor, and Lessor agrees to accept from Lessee, rent for the Equipment as follows:

- a. As Interim Rent, in arrears, an amount equal to the Daily Lease Rate Factor (computed on the basis of a 30-day month) applicable to the Equipment multiplied by the Lessor's Cost of the Equipment for each day for the period from and including the date of acceptance until the date of commencement of the Basic Term, payable on the date of commencement of the Basic Term.
- b. As Basic Rent, payable semi-annually in arrears, an amount on each Basic Rent Date from and including the First Basic Rent Date to and including the Last Basic Rent Date equal to the Basic Lease Rate Factor applicable to the Equipment multiplied by the Lessor's Cost of the Equipment.

4. Purchase and Renewal Options: Provided that this lease has not earlier been terminated and Lessee is not in default hereunder, Lessee may, by written notice delivered to Lessor not less than six months prior to the end of the Basic Term or any extended term of this lease, as the case may be, (i) elect to extend the term of this lease in respect of all or any of the units of Equipment then subject to this lease, for two additional one-year periods commencing on the scheduled expiration of the Basic Term of this lease at the Renewal Lease Rate Factor payable semi-annually in arrears each July 15 and January 15 or (ii) elect to purchase all or any of the units of Equipment then subject to this lease for a purchase price equal to the "Fair Market Value" (as defined below) of such units as of the end of the original or extended term of this lease, as the case may be.

Fair Market Value shall be determined on the basis of, and shall be equal in amount to, the value which would obtain in an arm's-length transaction between an informed and willing buyer-user (other than (i) a lessee currently in possession and (ii) a used equipment dealer) and an informed and willing seller under no compulsion to sell and, in such determination, costs of removal from the location of current use shall not be a deduction from such value. If on or before four months prior to the expiration of the term of this lease, Lessor and Lessee are unable to agree upon a determination of the Fair Market Value of the units, such value shall be determined in accordance with the foregoing definition by a qualified independent Appraiser. The term Appraiser shall mean such independent appraiser as Lessor may select with the approval of Lessee, or failing such approved selection, a panel of three independent appraisers, one of whom shall be selected by Lessor, the second by Lessee and the third designated by the first two so selected. The Appraiser shall be instructed to make such determination within a period of 30 days following appointment and shall promptly communicate such determination in writing to Lessor and Lessee. The determination so made shall be conclusively binding upon both Lessor and Lessee. The expenses and fees of the Appraiser shall be borne by Lessee.

Upon payment of the purchase price, Lessor shall upon request of Lessee execute and deliver to Lessee, or to Lessee's assignee or nominee, a bill of sale (without representations or warranties except that such units are free and clear of all claims, liens, security interests and other encumbrances by or in favor of any person claiming by, through or under Lessor) for such units, and such other documents as may be reasonably required to release such units from the terms and scope of this lease and to transfer title thereto to Lessee or such assignee or nominee, in such form as may be reasonably requested by Lessee's expense.

5. Stipulated Loss Value: The amount to be paid as Stipulated Loss Value pursuant to paragraph 11 of the Equipment Lease shall be the amount arrived at by multiplying the Lessor's Cost of the affected unit or units of Equipment by the percentage set forth in Exhibit A hereto (which is by this reference hereby made a part of this lease) opposite the Rent Payment Period next succeeding the occurrence of the event resulting in such payment.

IN WITNESS WHEREOF, the parties have executed this Equipment Lease Schedule on the ____ day of _____, 19__.

HAROLD K. CRISWELL, WELDON J. SMITH
AND BRUCE L. CRONANDER not in their
individual capacities but solely
as Trustee

THE CHESAPEAKE AND OHIO RAILWAY COMPANY

By  _____
Lessee

By _____

By _____

By _____

Lessor

SCHEDULE A-1

STIPULATED LOSS VALUES

(For Equipment to which 7.078510% Basic Lease Rate Factor Applies)

<u>DATE</u>	<u>STIPULATED LOSS VALUES</u>
7/80	106.8471
1/81	106.1049
7/81	104.5713
1/82	101.6993
7/82	98.6360
1/83	95.8121
7/83	85.7099
1/84	82.3867
7/84	78.8031
1/85	74.9793
7/85	63.8869
1/86	59.5790
7/86	55.0245
1/87	50.2510
7/87	38.2243
1/88	33.0051
7/88	27.5563
1/89	25.4527
7/89	23.4107
1/90	21.5393
7/90	20.0000

SCHEDULE A-2

STIPULATED LOSS VALUES

(For Equipment to which 8.371899% Basic Lease Rate Factor applies)

<u>DATE</u>	<u>STIPULATED LOSS VALUES</u>
7/80	108.1364
1/81	108.8521
7/81	108.3179
1/82	105.6156
7/82	102.6726
1/83	100.2646
7/83	90.5017
1/84	87.3925
7/84	83.9055
1/85	80.0728
7/85	68.8780
1/86	64.3228
7/86	59.3860
1/87	54.1096
7/87	41.4679
1/88	35.4723
7/88	29.0925
1/89	26.5663
7/89	24.1076
1/90	21.8789
7/90	20.0000

STATE OF CALIFORNIA)
) SS:
CITY AND COUNTY OF SAN FRANCISCO)

On this 16th day of April, 1980, before me personally appeared HAROLD K. CRISWELL, WELDON J. SMITH and BRUCE L. CRONANDER, to me known to be the persons who executed the foregoing instrument and they acknowledged that they executed the same as their free act and deed.



Marcia D. Jacobs

Notary Public
My commission expires 12/16/83

[Notarial Seal]

STATE OF OHIO)
) SS:
COUNTY OF CUYAHOGA)

On this 23rd day of April, 1980, before me personally appeared JAMES ERMER, to me personally known, who, being by me duly sworn, says that he is Senior Assistant Treasurer of THE CHESAPEAKE AND OHIO RAILWAY 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.

Michael C. Byname

Notary Public
~~My commission expires~~

[Notarial Seal]

MICHAEL C. BYNAME, Attorney
NOTARY PUBLIC - STATE OF OHIO
My commission has no expiration date.
Section 147.03 R. C.