

WHITE & CASE

1747 PENNSYLVANIA AVENUE N.W.

1155 AVENUE OF THE AMERICAS, NEW YORK
333 SOUTH HOPE STREET, LOS ANGELES
200 SOUTH BISCAYNE BOULEVARD, MIAMI
20 PLACE VENDÔME, PARIS
66 GRESHAM STREET, LONDON

WASHINGTON, D.C. 20006
(202) 872-0013
TELECOPY: (202) 872-0210
TELEX: 197898

20-5, ICHIBANCHO, CHIYODA-KU, TOKYO
15 QUEEN'S ROAD CENTRAL, HONG KONG
50 RAFFLES PLACE, SINGAPORE
BIRGERJARLSGATAN 14, STOCKHOLM
CUMHURİYET CADDESİ 12/10, ISTANBUL
ZIYA ÜR RAHMAN CADDESİ 17/5, ANKARA

HAR:CSP

9-089A007

March 30, 1989

Office of the Secretary
Recordations Unit
Room 2303
Interstate Commerce Commission
12th and Constitution Avenue, N.W.
Washington, D.C. 20423

RECORDATION NO. 16115 C
FILED 1425

MAR 30 1989 - 10 25 AM

INTERSTATE COMMERCE COMMISSION

ATTENTION: Ms. Mildred Lee

Dear Ms. Lee:

Enclosed are an original and one certified true copy of the document described below, to be recorded pursuant to 49 U.S.C. § 11303. This document is a lease and indenture supplement, a secondary document, dated March 30, 1989. The primary document to which this lease and indenture supplement is connected is recorded under Recordation No. 16115.

The names and addresses of the parties of the document are as follows:

The Connecticut National Bank,
as lessor/owner trustee
777 Main Street
Hartford, Connecticut 06115; and

CSX Transportation, Inc., lessee
100 North Charles Street
Baltimore, Maryland 21201; and

Meridian Trust Company, as
indenture trustee
35 North Sixth Street
Reading, Pennsylvania 19603

A description of the equipment covered by this document follows:

MAR 30 10 25 AM '89
NOTOR OPERATING UNIT

C. O'Connell
Hartford

Interstate Commerce Commission
March 30, 1989
Page 2

146 bi-level autoracks bearing the serial numbers
B 4040-B 4185.

A filing fee of \$13.00 is enclosed. Please return
the original and any extra copies not needed by the
Commission for recordation to the undersigned.

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

Lease and Indenture Supplement No. 2 to Lease
No. 2 dated March 30, 1989 covering 146 bi-
level autoracks bearings the serial numbers
B 4040-B 4185.

Very truly yours,



Harriet Ann Robinson

Enclosure

LEASE AND INDENTURE SUPPLEMENT NO. 2

RECORDATION NO. 16115-C FILED 1423

Dated March 30, 1989

MAR 30 1989 -10 25 AM

Among

INTERSTATE COMMERCE COMMISSION

THE CONNECTICUT NATIONAL BANK,
not in its individual capacity but solely as trustee,
Lessor/Owner Trustee,

CSX TRANSPORTATION, INC.,
Lessee

and

MERIDIAN TRUST COMPANY,
not in its individual capacity but solely as trustee,
Indenture Trustee

FULLY-ENCLOSED BI-LEVEL AUTORACKS

ALL RIGHT, TITLE AND INTEREST IN AND TO THIS LEASE AND INDENTURE SUPPLEMENT NO. 2 AND TO THE AUTORACKS COVERED HEREBY ON THE PART OF THE CONNECTICUT NATIONAL BANK, AS OWNER TRUSTEE, HAS BEEN ASSIGNED TO AND IS SUBJECT TO A LIEN AND SECURITY INTEREST IN FAVOR OF MERIDIAN TRUST COMPANY, AS INDENTURE TRUSTEE UNDER AN INDENTURE AND SECURITY AGREEMENT NO. 2 DATED AS OF DECEMBER 1, 1988. TO THE EXTENT, IF ANY, THAT THIS LEASE AND INDENTURE SUPPLEMENT NO. 2 CONSTITUTES CHATTEL PAPER (AS SUCH TERM IS DEFINED IN THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN ANY APPLICABLE JURISDICTION), NO SECURITY INTEREST IN THIS LEASE AND INDENTURE SUPPLEMENT NO. 2 MAY BE CREATED THROUGH THE TRANSFER OR POSSESSION OF ANY COUNTERPART OTHER THAN THE ORIGINAL COUNTERPART THAT CONTAINS THE RECEIPT THEREFOR EXECUTED BY MERIDIAN TRUST COMPANY, AS INDENTURE TRUSTEE, ON OR IMMEDIATELY FOLLOWING THE SIGNATURE PAGE THEREOF.

FILED WITH THE INTERSTATE COMMERCE COMMISSION
PURSUANT TO 49 U.S.C. § 11303 ON MARCH 30, 1989
AT ___ : ___ A.M. RECORDATION NUMBER _____

THIS LEASE AND INDENTURE SUPPLEMENT NO. 2, dated March 30, 1989, among THE CONNECTICUT NATIONAL BANK, a national banking association, not in its individual capacity but solely as Owner Trustee ("Lessor" or "Owner Trustee") under that certain Trust Agreement No. 2 dated as of December 1, 1988 (the "Trust Agreement") with FORD MOTOR CREDIT COMPANY, CSX TRANSPORTATION, INC., a Virginia corporation ("Lessee") and MERIDIAN TRUST COMPANY, a Pennsylvania trust company, not in its individual capacity but solely as Indenture Trustee (the "Indenture Trustee").

W I T N E S S E T H :

WHEREAS, Lessor, Lessee and the Indenture Trustee have, with the other parties thereto, heretofore entered into a Participation Agreement No. 2 (the "Participation Agreement"), Lessor and Lessee have heretofore entered into a Lease Agreement No. 2 (the "Lease"), and the Indenture Trustee and Owner Trustee have heretofore entered into an Indenture and Security Agreement No. 2 (the "Indenture"), each dated as of December 1, 1988 (capitalized terms used herein without definitions having the respective meanings set forth in Appendix X to the Lease);

WHEREAS, the Participation Agreement and the Lease provide that on each Closing Date Seller shall deliver to Owner Trustee a Bill of Sale dated such date by which Seller bargains, conveys, assigns, sets over, sells and delivers to Owner Trustee, and Owner Trustee purchases and accepts from the Seller, the Autoracks to be conveyed on such Closing Date, and said Bill of Sale has been delivered by Seller and accepted by Owner Trustee on such Closing Date;

WHEREAS, the Participation Agreement, the Lease, and the Indenture provide for the execution of a Lease and Indenture Supplement substantially in the form hereof for the purposes of leasing the Autoracks under the Lease as and when delivered by Lessor to Lessee in accordance with the terms thereof and subjecting such Autoracks to the lien of the Indenture;

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

1. Lessor hereby delivers and leases to Lessee, and Lessee hereby accepts and leases from Lessor, under the Lease as hereby supplemented, the Autoracks listed on Schedule 1 hereto.

2. Lessee hereby confirms to Lessor that Lessee has accepted such Autoracks for all purposes hereof and of the Lease.

3. The aggregate Lessor's Cost of the Autoracks leased hereunder is \$4,234,000.00 and the amounts comprising such Lessor's Cost and the Lessor's Cost of each Autorack leased hereunder are set forth on Schedule 1 hereto. The Stipulated Loss Values and Termination Values set forth, respectively, on Schedules 2 and 3 hereto shall be applicable in respect of the Autoracks leased hereunder on the date hereof.

4. Lessee hereby confirms its agreement, in accordance with the Lease as supplemented by this Lease and Indenture Supplement No. 2, on the Basic Term Commencement Date to pay Interim Rent to Lessor for each Autorack leased hereunder as provided for in the Lease and on each Payment Date to pay Basic Rent to Lessor for each Autorack leased hereunder as provided for in the Lease.

5. In order to secure the prompt payment of the principal of and Premium, if any, and interest on the Notes issued on the date hereof and on the other Notes, Lessor has granted, conveyed, pledged, sold, mortgaged, assigned, transferred and set over a security interest unto the Indenture Trustee in (i) the Autoracks listed on Schedule 1 hereto and (ii) this Lease and Indenture Supplement No. 2, in each case excluding Excepted Property and Excepted Rights, to have and to hold unto the Indenture Trustee and its successors and its assigns for its and their own use and benefit forever.

6. All of the provisions of the Lease and the Indenture are hereby incorporated by reference in this Lease and Indenture Supplement No. 2 to the same extent as if fully set forth herein.

7. This Lease and Indenture Supplement No. 2 may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

8. This Lease and Indenture Supplement No. 2 is being delivered in the State of New York and shall in all respects be governed by, and construed in accordance with, the laws of the State of New York, including all matters of construction, validity and performance.

IN WITNESS WHEREOF, Lessor, Lessee and Indenture Trustee have caused this Lease and Indenture Supplement No. 2 to be duly executed on the date and year set forth in the opening paragraph hereof.

Lessor/Owner Trustee

THE CONNECTICUT NATIONAL BANK,
not in its individual capacity
but solely as Owner
Trustee

By *Stephen J. Galbraith*
Title: VICE PRESIDENT

Lessee

CSX TRANSPORTATION, INC.

By _____
Title: _____

Indenture Trustee

MERIDIAN TRUST COMPANY,
not in its individual capacity
but solely as Indenture
Trustee

By _____
Title: _____

8. This Lease and Indenture Supplement No. 2 is being delivered in the State of New York and shall in all respects be governed by, and construed in accordance with, the laws of the State of New York, including all matters of construction, validity and performance.

IN WITNESS WHEREOF, Lessor, Lessee and Indenture Trustee have caused this Lease and Indenture Supplement No. 2 to be duly executed on the date and year set forth in the opening paragraph hereof.

Lessor/Owner Trustee

THE CONNECTICUT NATIONAL BANK,
not in its individual capacity
but solely as Owner
Trustee

By _____
Title:

Lessee

CSX TRANSPORTATION, INC.

By *William J. Dainoff*
Title:

AVP & TREASURER - EQUIPMENT UNIT

Indenture Trustee

MERIDIAN TRUST COMPANY,
not in its individual capacity
but solely as Indenture
Trustee

By _____
Title:

8. This Lease and Indenture Supplement No. 2 is being delivered in the State of New York and shall in all respects be governed by, and construed in accordance with, the laws of the State of New York, including all matters of construction, validity and performance.

IN WITNESS WHEREOF, Lessor, Lessee and Indenture Trustee have caused this Lease and Indenture Supplement No. 2 to be duly executed on the date and year set forth in the opening paragraph hereof.

Lessor/Owner Trustee

THE CONNECTICUT NATIONAL BANK,
not in its individual capacity
but solely as Owner
Trustee

By _____
Title:

Lessee

CSX TRANSPORTATION, INC.

By _____
Title:

Indenture Trustee

MERIDIAN TRUST COMPANY,
not in its individual capacity
but solely as Indenture
Trustee

By _____ 
Title: ASSISTANT VICE PRESIDENT,

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

On this 29th day of March, 1989, before me personally appeared Stephen J. Kaba, to me personally known, who, being by me duly sworn, says that he is Vice President of The Connecticut National Bank, 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.

Laura L. Bucaro
Notary Public

My Commission Expires:

[Notary Seal]

LAURA L. BUCARO
Notary Public, State of New York
No. 31-4914413
Qualified in New York County
Commission Expires Dec. 14, 1989

STATE OF MARYLAND)
): ss.:
COUNTY OF BALTIMORE)

On this 27th day of March, 1989, before me personally appeared Denis J. Voisard to me personally known, who being by me duly sworn, says that he is AVP & TREASURER - EQUIPMENT UNIT CSX Transportation, Inc., 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.

H. Pauline Mc Cabe

Notary Public

MY COMMISSION EXPIRES JULY 1, 1990

My Commission Expires:

[Notary Seal]

SCHEDULE 1
to
Lease

BI-LEVEL AUTORACKS

<u>Quantity of Racks</u>	<u>Serial Numbers</u>	<u>Lessor's Cost Per Unit</u>	<u>Aggregate Lessor's Cost</u>
146	B4040-B4185 (Inclusive)	\$29,000	\$4,234,000

SCHEDULE 2
to
Lease and Indenture
Supplement No. 2

STIPULATED LOSS VALUE

If the event giving rise to an obligation to pay Stipulated Loss Value occurs and the actual date as of which the Owner Participant shall incur Federal income tax consequences shall be earlier or later than the date assumed in originally calculating the applicable Stipulated Loss Value, such value shall be appropriately adjusted, based upon the date as of which the Owner Participant incurred such tax consequences but otherwise on the same assumptions used to calculate the following values. In any case where Stipulated Loss Value shall be payable, there shall be added to the amount determined pursuant to the following schedule, the amount of premium, if any, payable in respect of the Notes.

Notwithstanding any provision in the Lease to the contrary, the parties hereto acknowledge and agree that the following table of Stipulated Loss Value percentages has been calculated without regard to payment of Basic Rent as of the applicable Payment Date. Accordingly, during the Basic Term, if the payment of Stipulated Loss Value in respect of a Unit occurs prior to January 3, 1997, the Lessee shall also pay the Basic Rent with respect to such Unit due on the applicable Payment Date; if the payment of Stipulated Loss Value in respect of a Unit occurs on January 3, 1997, the Lessee shall also pay the Basic Rent (to the extent it is reflected as an arrears payment on Schedule 1 to the Lease) with respect to such Unit due on such Payment Date; if the payment of Stipulated Loss Value in respect of a unit occurs after January 3, 1997, the Lessee shall not be obligated to pay Basic Rent in respect to such Unit on such Payment Date.

The Stipulated Loss Value set forth in this Schedule 2 shall be applicable in respect of the Autoracks leased hereunder on the date hereof.

<u>Payment Date</u>	<u>Percentage of Lessor's Cost</u>
July 3, 1990	109.34739
January 3, 1991	110.59907
July 3, 1991	111.79437

<u>Payment Date</u>	<u>Percentage of Lessor's Cost</u>
January 3, 1992	110.04879
July 3, 1992	110.88485
January 3, 1993	108.57480
July 3, 1993	109.18999
January 3, 1994	106.40748
July 3, 1994	106.89573
January 3, 1995	103.64766
July 3, 1995	104.00983
January 3, 1996	100.25856
July 3, 1996	100.51507
January 3, 1997	96.31924
July 3, 1997	89.27191
January 3, 1998	88.67586
July 3, 1998	81.62346
January 3, 1999	80.58675
July 3, 1999	73.08175
January 3, 2000	71.99671
July 3, 2000	64.01127
January 3, 2001	62.87740
July 3, 2001	54.38225
January 3, 2002	53.19935
July 3, 2002	44.16361
January 3, 2003	42.93186
July 3, 2003	33.32299
January 3, 2004	32.04300
July 3, 2004	20.14531
January 3, 2005	20.49523

SCHEDULE 3
to
Lease and Indenture
Supplement No. 2

TERMINATION VALUE

If the event giving rise to an obligation to pay Termination Value occurs and the actual date as of which the Owner Participant shall incur Federal income tax consequences shall be earlier or later than the date assumed in originally calculating the applicable Termination Value, such value shall be appropriately adjusted, based upon the date as of which the Owner Participant incurred such tax consequences but otherwise on the same assumptions used to calculate the following values. In any case where Termination Value shall be payable, there shall be added to the amount determined pursuant to the following schedule, the amount of any premium, if any, payable in respect of the Notes.

Notwithstanding any provision in the Lease to the contrary, the parties hereto acknowledge and agree that the following table of Termination Value percentages has been calculated without regard to payment of Basic Rent as of the applicable Payment Date. Accordingly, during the Basic Term, if the payment of Termination Value in respect of a Unit occurs prior to January 3, 1997, the Lessee shall also pay the Basic Rent with respect to such Unit due on the applicable Payment Date; if the payment of Termination Value in respect of a Unit occurs on January 3, 1997, the Lessee shall also pay the Basic Rent (to the extent it is reflected as an arrears payment on Schedule 1 to the Lease) with respect to such Unit due on such Payment Date; if the payment of Termination Value in respect of a Unit occurs after January 3, 1997, the Lessee shall not be obligated to pay Basic Rent in respect to such Unit on such Payment Date.

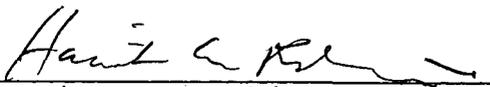
The Stipulated Loss Value set forth in this Schedule 3 shall be applicable in respect of the Autoracks leased hereunder on the date hereof.

<u>Payment Date</u>	<u>Percentage of Lessor's Cost</u>
January 3, 1996	99.06074
July 3, 1996	99.23414

<u>Payment Date</u>	<u>Percentage of Lessor's Cost</u>
January 3, 1997	94.94996
July 3, 1997	87.80593
January 3, 1998	87.10379
July 3, 1998	79.83914
January 3, 1999	78.78130
July 3, 1999	71.14802
January 3, 2000	69.92469
July 3, 2000	61.79274
January 3, 2001	60.50103
July 3, 2001	51.83860
January 3, 2002	50.47563
July 3, 2002	41.24899
January 3, 2003	39.81185
July 3, 2003	29.98520
January 3, 2004	28.47106
July 3, 2004	16.32427
January 3, 2005	16.39795

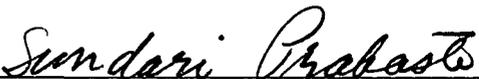
CERTIFICATION

On this 30th day of March, 1989, the undersigned has compared the foregoing copy of the Lease and Indenture Supplement relating to the primary document recorded under Recordation No. 16115 with the original thereof and has found the copy to be complete and identical in all respects to the original.


Harriet Ann Robinson

DISTRICT OF COLUMBIA: ss:
:

Subscribed and sworn to before me this 30th day of March, 1989.


Sundari Prabhast
Notary Public

My commission expires October 14, 1991