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OF COUNSEL
URBAN A. LESTER

Betty D. Jan

Counterparts -

May 1, 1997

RECORDATION NO. 19041-B

MAY 1 '97 4-18 PM

RECEIVED
SURFACE TRANSPORTATION
BOARD
MAY 1 4 18 PM '97

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are three (3) copies of an Equipment Trust Agreement Supplement No. 1, dated as of January 1, 1997, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to Equipment Trust Agreement previously filed with the Board under Recordation Number 19041.

The names and addresses of the parties to the enclosed document are:

- Trustee: Wilmington Trust Company
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890
- Company: Locomotive Management Services
2001 Market Street
Philadelphia, Pennsylvania 19103
- Guarantor: Consolidated Rail Corporation
200 Market Street
Philadelphia, Pennsylvania 19101

Mr. Vernon A. Williams
May 1, 1997
Page 2

A description of the railroad equipment covered by the enclosed document is:

Sixty (60) railcars bearing reporting marks CR and road numbers 740
through 749, inclusive

Also enclosed is a check in the amount of \$24.00 payable to the order of the
Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,


for Robert W. Alvord

RWA/bg
Enclosures

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20425-0001

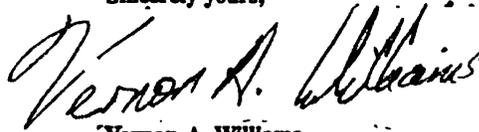
5/1/97

Robert W. Alvord
Alvord and Alvord
918 Sixteenth Street, NW, Ste. 200
Washington, DC., 20006-2973

Dear

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of
the Interstate Commerce Act, 49 U.S.C. 11303, on _____ at _____, and
assigned recordation number(s). 5/1/97 4:18PM
19041-B.

Sincerely yours,



Vernon A. Williams
Secretary

Enclosure(s)

\$ _____ The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



EQUIPMENT TRUST AGREEMENT SUPPLEMENT NO. 1
Dated as of January 1, 1997

Among

WILMINGTON TRUST COMPANY,
as Trustee,

LOCOMOTIVE MANAGEMENT SERVICES,
the Company

and

CONSOLIDATED RAIL CORPORATION,
as Guarantor

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SURFACE TRANSPORTATION
BOARD

CERTAIN OF THE RIGHT, TITLE AND INTEREST IN AND TO THIS EQUIPMENT TRUST AGREEMENT SUPPLEMENT NO. 1 TO THE EQUIPMENT TRUST AGREEMENT, DATED AS OF OCTOBER 15, 1994, AMONG WILMINGTON TRUST COMPANY, AS TRUSTEE, LOCOMOTIVE MANAGEMENT SERVICES, AS LESSEE, AND CONSOLIDATED RAIL CORPORATION, AS GUARANTOR, HAS BEEN ASSIGNED TO AND IS SUBJECT TO A SECURITY INTEREST IN FAVOR OF WILMINGTON TRUST COMPANY, AS TRUSTEE UNDER THE EQUIPMENT TRUST AGREEMENT, AS NOW OR HEREAFTER SUPPLEMENTED, FOR THE BENEFIT OF THE HOLDER OF THE CERTIFICATES REFERRED TO IN SUCH EQUIPMENT TRUST AGREEMENT. THIS EQUIPMENT TRUST SUPPLEMENT NO. 1 HAS BEEN EXECUTED IN SEVERAL COUNTERPARTS. TO THE EXTENT, IF ANY, THAT THIS EQUIPMENT TRUST AGREEMENT SUPPLEMENT NO. 1 CONSTITUTES CHATTEL PAPER (AS SUCH TERM IS DEFINED IN THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN ANY APPLICABLE JURISDICTION), NO SECURITY INTEREST IN THIS EQUIPMENT TRUST AGREEMENT SUPPLEMENT NO. 1 MAY BE CREATED THROUGH THE TRANSFER OR POSSESSION OF ANY COUNTERPART OTHER THAN THE ORIGINAL COUNTERPART THAT CONTAINS THE RECEIPT THEREFOR EXECUTED BY WILMINGTON TRUST COMPANY AS TRUSTEE, ON OR IMMEDIATELY FOLLOWING THE SIGNATURE PAGE THEREOF. ONLY THE ORIGINAL COUNTERPART CONTAINS THE RECEIPT THEREFOR EXECUTED BY WILMINGTON TRUST COMPANY, AS TRUSTEE, ON THE SIGNATURE PAGES THEREOF.

FILED WITH THE SURFACE TRANSPORTATION BOARD PURSUANT TO
49 U.S.C. § 11301 ON MAY __, 1997 at __:__.M.,
RECORDATION NUMBER ____

THIS EQUIPMENT TRUST AGREEMENT SUPPLEMENT NO. 1 (this "Supplement"), dated as of January 1, 1997 among WILMINGTON TRUST COMPANY, a Delaware banking corporation, as Trustee ("Trustee") under that certain Equipment Trust Agreement, dated as of October 15, 1994 (the "Trust Agreement") with LOCOMOTIVE MANAGEMENT SERVICES, (the "Company"), and CONSOLIDATED RAIL CORPORATION, a Pennsylvania corporation, as Guarantor, ("Guarantor").

W I T N E S S E T H

WHEREAS, the Company, the Guarantor and the Trustee have heretofore entered into the Trust Agreement, and the Company and the Guarantor have entered into a lease of locomotives dated as of November 3, 1994 (the "Lease") (capitalized terms used herein having the respective meanings set forth in Section 1.1 of the Trust Agreement referenced above, unless otherwise defined herein); and

WHEREAS, the Lease provides that the Guarantor has the right, pursuant to section 13(f), to purchase all of the Additional Units (as such term is defined in the Lease) by the assumption of the remaining principal and interest payments outstanding on any acquisition indebtedness allocable to such Additional Units; and

WHEREAS, Guarantor desires to exercise its rights pursuant to Section 13(f) of the Lease and to assume all of the rights and obligations of the Company with respect to such Additional Units pursuant to Section 4.11 of the Trust Agreement.

NOW, THEREFORE, in consideration of the premises and for good and sufficient consideration, the Company, the Guarantor and the Trustee hereby agree as follows:

1. Guarantor hereby assumes all of the rights and obligations of the Company under the Trust Agreement with respect to the Additional Units as of January 1, 1997 (the "Assumption") and agrees to comply with the requirements of Section 4.11 of the Trust.

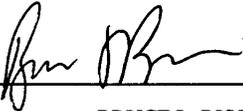
2. The Trustee hereby accepts the Assumption by Guarantor of the rights and obligations of the Company with respect to the Additional Units in accordance with Section 4.11 of the Trust Agreement.

3. All of the provisions of the Trust Agreement are hereby incorporated by reference in this Supplement to the same extent as if fully set forth herein.

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

IN WITNESS WHEREOF, the Company, the Trustee and the Guarantor have caused this Supplement to be duly executed as of the day and year set forth in the opening paragraph hereof.

Trustee
WILMINGTON TRUST COMPANY
as Trustee

By: 
Title: BRUCE L. BISSON
VICE PRESIDENT

Company LOCOMOTIVE MANAGEMENT SERVICES

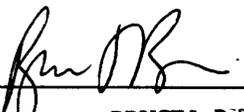
By: 
Title: _____

Guarantor
CONSOLIDATED RAIL CORPORATION

By: 
Treasurer

Receipt of this original counterpart of the foregoing Supplement is hereby acknowledged on this ___ day of _____, 1997.

WILMINGTON TRUST COMPANY
as Trustee

By: 
Title: BRUCE L. BISSON
VICE PRESIDENT

COMMONWEALTH OF PENNSYLVANIA }
COUNTY OF PHILADELPHIA } SS:

On this 1st day of May, 1997, before me personally appeared John M. Samuels, to me personally known, who, by me being duly sworn, says that he is Member of the Partners' Committee of Locomotive Management Services, and that the foregoing instrument was signed on behalf of said Partnership by authority of its Partners' Committee, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Partnership.

Elizabeth C. Gallacher
Notary Public

My commission expires

NOTARIAL SEAL
ELIZABETH C. GALLACHER, Notary Public
City of Philadelphia, Phila. County
My Commission Expires May 31, 1999

COMMONWEALTH OF PENNSYLVANIA }
COUNTY OF PHILADELPHIA } SS:

On this 1st day of May, 1997, before me personally appeared Thomas McGraw, to me personally known, who, by me being duly sworn, says that he is Assistant Treasurer of Consolidated Rail Corporation, and that the foregoing 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.

Elizabeth C. Gallagher
Notary Public

My commission expires

NOTARIAL SEAL ELIZABETH C. GALLACHER, Notary Public City of Philadelphia, Phila. County My Commission Expires May 31, 1999

STATE OF DELAWARE)
) SS.
COUNTY OF NEW CASTLE)

On this 30th day of April, 1997, before me personally appeared Bruce L. Bisson, to me personally known, who, by me being duly sworn, says that he is a Vice President of Wilmington Trust Company, and that the foregoing 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.

Sallie V. Peet

Notary Public
Print Name: _____
My Commission Expires: _____

SALLIE V. PEET
NOTARY PUBLIC
My COMMISSION EXPIRES JULY 12, 1998