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OF COUNSEL
URBAN A LESTER

16500-E

May 4, 1999

RECORDATION NO. _____ FILED

MAY 4 '99 3-45 PM

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 six (6) copies of an Amendment Agreement, dated as of August 3, 1998, a secondary document as defined in the Board's Rules for the Recordation of Documents

The enclosed document relates to Lease Agreement which was previously filed with the Commission under Recordation Number 16500

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

Lessee. Consolidated Rail Corporation
2001 Market Street
Philadelphia, Pennsylvania 19101

Lessor: NBB Philadelphia Lease Co , Ltd
1-12-11 Nihonbashi, Chuo-ku
Tokyo 103, Japan

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

This transaction does not involve any new or additional railroad equipment

Also enclosed is a check in the amount of $26 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,

Robert W. Alvord

RWA/bg
Enclosures

[1989 JLL Philadelphia]

RECORDATION NO. 16500-E FILED

MAY 4 '99 3-45 PM

AMENDMENT AGREEMENT

in respect of

Lease of Railroad Equipment

AMENDMENT AGREEMENT (this "Amendment Agreement") dated as of August 3, 1998 among CONSOLIDATED RAIL CORPORATION, a Pennsylvania corporation (the "Lessee"), and NBB PHILADELPHIA LEASE CO., LTD., a Japanese corporation (the "Lessor" or "Borrower"), and BARCLAYS BANK PLC, acting through its branch in Tokyo, Japan, an English banking institution (the "Lender").

RECITALS

WHEREAS, the Lessee, the Lessor and the Lender have entered into the Participation Agreement dated as of August 31, 1989 (the "Participation Agreement");

WHEREAS, the Lessor and Lessee have entered into the Lease Agreement dated as of August 31, 1989, as amended and supplemented from time to time (the "Lease Agreement"); and

WHEREAS, the Borrower and the Lender have entered into the Loan Agreement dated as of August 31, 1989 (the "Loan Agreement").

NOW, THEREFORE, in consideration of the agreements contained herein and for other consideration, the adequacy and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

AMENDMENTS

SECTION 1.1. Appendix A to the Lease Agreement is hereby amended by adding thereto the following defined terms:

"Conrail Group" means the Lessee and the LLCs.

"Excluded Conveyance" means any conveyance, transfer, lease or sublease described in or contemplated by the Transaction Agreement.

"Indebtedness" means, as to any Person at any date of determination, any obligation of such Person to the extent that such obligation should be reflected in "Short Term Debt" or "Long Term Debt" on the consolidated balance sheet or statement of financial position of such Person at such date in accordance with generally accepted accounting principles, other than all such obligations in existence immediately after giving effect to the Excluded Conveyances, and to renewals, refinancings and extensions thereof that do not increase the principal amount thereof.

"LLC" means New York Central Lines LLC or Pennsylvania Lines LLC, or any successor to either thereof.

"Transaction Agreement" means the transaction agreement dated as of June 10, 1997 among Consolidated Rail Corporation, Conrail, Inc., CSX Corporation, CSX Transportation, Inc., Norfolk Southern Corporation, Norfolk Southern Railway Company and CRR Holdings LLC, as the same may be amended, modified or supplemented from time to time.

SECTION 1.2. Section 6 of the Lease Agreement is hereby amended by adding thereto the following paragraph:

"The Lessee will not permit any LLC to incur, create, issue, assume, guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, any Indebtedness or to grant a mortgage, pledge, lien or security interest on, of or in any sublease of any Item of Equipment by any LLC other than to the Lessee."

SECTION 1.3. Section 7(b) of the Lease Agreement is hereby amended to read as follows:

"(b) Operation. The Items of Equipment will be used in the general operation of Lessee's or any sublessee's freight rail business on Lessee's or any sublessee's railroad system, on railroad lines over which Lessee or any sublessee has trackage rights, and on railroad lines of other railroads in the United States and Canada in the usual interchange of traffic or in through or run-through service."

SECTION 1.4. Section 7(e) of the Lease Agreement is hereby amended to read as follows:

"(e) Possession. Except as otherwise permitted by Section 7(b) or herein in this Section 7(c), Lessee shall not, without the prior written consent of Lessor, sublease or otherwise in any manner deliver, transfer or relinquish

possession of any Item of Equipment; provided, that so long as no Event of Default or Potential Event of Default shall have occurred and be continuing, and so long as the action to be taken does not and will not contemplate, permit, require, or result in the transfer of Lessor's ownership of or title to any Item of Equipment, Lessee may, without the prior written consent of Lessor, sublease any Item of Equipment to, or permit its use by, any user incorporated or organized in the United States of America (or any state thereof or the District of Columbia), upon lines of a railroad owned or operated by Lessee or such user or by a railroad company or companies incorporated or organized in the United States of America (or any state thereof or the District of Columbia), or over which Lessee, such user, or such railroad company or companies have trackage rights or rights for operation of their trains, and upon the lines of railroads of connecting and other carriers in the usual interchange of traffic or in through or run-through service, but only upon and subject to all the terms and conditions of this Lease; provided, further, that (i) such sublease or use shall not continue beyond the end of the Term, (ii) except for any sublease to an Affiliate of the Lessee, Lessor's prior written consent, not to be unreasonably withheld, shall be obtained for any sublease or use that is for a term longer than 12 months, (iii) such sublease or other agreement related to use shall by its terms prohibit the sublessee or user from locating an Item of Equipment outside the area comprised of the United States and Canada, (iv) Lessee will not, and will not permit any of the LLCs to, sublease or permit the use of any Item of Equipment unless the agreement governing such sublease expressly provides that (a) the sublease or use of such Item of Equipment thereunder shall be junior, subject and subordinate to the Lease, and (b) upon a default by Lessee under the Lease, the sublessee under such sublease or other permitted user shall surrender possession of the Item of Equipment in accordance with the provisions of the Lease, (v) Lessee shall furnish to Lessor a copy of any such sublease or other agreement related to use promptly after its execution, (vi) Lessee will not permit any LLC to sublease any Item of Equipment to CSX Transportation, Inc. or Norfolk Southern Railway Company unless prior thereto, such LLC shall assign and create a security interest in and to such sublease to and for the benefit of the Lessee to secure all amounts payable by such LLC to the Lessee under the sublease of such Item of Equipment from the Lessee to such LLC, and (vii) Lessee will not, and will not permit any of its LLCs to, sublease any Item of Equipment if such sublease would have a material adverse effect on the benefits available to the Lessor under the Lease pursuant to 11 U.S C. § 1168. No such sublease or other relinquishment of possession of any Item of Equipment shall in any way discharge or diminish any of Lessee's obligations to Lessor hereunder or under any other Operative Document for which obligations Lessee shall be and remain primarily liable as a principal and not as a surety."

SECTION 1.5. Section 13(b) of the Lease Agreement is hereby amended to read as follows:

"(b) Merger, Etc. Lessee shall not reorganize, consolidate with or merge into any other corporation, or permit any other corporation to merge into it, or convey, transfer or lease in one or more transactions all or substantially all of its assets to any Person, unless:

(i) the corporation formed by such reorganization, consolidation or into which Lessee is merged or which merges into Lessee or the Person which acquires by conveyance, transfer or lease all or substantially all of the assets of Lessee (the "Successor") (a) shall be a corporation organized and existing under the laws of the United States of America or any state or the District of Columbia, (b) shall have a Net Worth equal to or greater than 75% of the Net Worth of Lessee immediately prior to such reorganization, consolidation, merger, conveyance, transfer or lease, (c) shall execute and deliver to Lessor an agreement, in form satisfactory to Lessor in its sole discretion, containing an assumption by the Successor of the due and punctual performance and observance of each covenant and condition of this Lease and the other Operative Documents to be performed or observed by Lessee and an undertaking to be bound by all of the terms and provisions of this Lease and the other Operative Documents with the same effect as though named Lessee herein and therein and (d) shall make such filings and recordings as shall be necessary, desirable or otherwise required by Lessor to evidence such reorganization, consolidation, merger, conveyance, transfer or lease;

(ii) immediately after giving effect to such transaction, no Event of Default or Potential Event of Default shall have occurred and be continuing; and

(iii) Lessee shall have delivered to Lessor an Officer's Certificate and an opinion of counsel to the Successor, such opinion to be in form and substance satisfactory to Lessor, each stating that (A) such reorganization, consolidation, merger, conveyance, transfer or lease and the assumption agreement described in clause (i) comply with such clause (i) (and, in the case of such certificate, clause (ii) of this Section 13(b) also), (B) the agreements entered into to effect such reorganization, consolidation, merger, conveyance, transfer or lease and the assumption agreement described in clause (i) above, are legal, valid and binding obligations of the Successor enforceable against the Successor in accordance with their terms, except as such enforceability may be limited

by applicable bankruptcy, reorganization, insolvency, moratorium and other similar laws and equitable principles affecting the enforcement of creditors' rights generally, (C) all conditions precedent herein provided for relating to such transactions have been complied with and (D) such other matters relating to such reorganization, consolidation, merger, conveyance, transfer or lease as Lessor may reasonably request;

provided, however, that any Excluded Conveyance may be made without compliance with the foregoing clauses (i) through (iii).

Upon any reorganization, consolidation or merger, or any conveyance, transfer or lease of all or substantially all of the assets of Lessee in accordance with clauses (i) through (iii) of this Section 13(b), the Successor shall succeed to, be substituted for, and may exercise every right and power of, and shall assume every obligation and liability of, Lessee under this Agreement and the other Operative Documents with the same effect as if the Successor had been named as Lessee herein and therein. No such reorganization, conveyance, transfer or lease of all or substantially all of the assets of Lessee shall have the effect of releasing Lessee or any Successor which shall theretofore have become such in the manner prescribed in this Section 13(b) from its liability hereunder. Nothing contained herein shall permit any lease, sublease or other arrangement for the use, operation or possession of the Items of Equipment except in compliance with the applicable provisions of this Lease."

SECTION 1.6. The Lease Agreement is hereby amended by adding the following:

"Section 26. Amendments to Agreements. The Lessee will not, and will not permit any of the LLCs to, agree to any amendment to the Transaction Agreement (or to any other agreement contemplated by or entered into pursuant to the Transaction Agreement) that would reduce the total amounts payable by CSX Corporation, CSX Transportation, Inc., Norfolk Southern Corporation, and Norfolk Southern Railway Company to all members of the Conrail Group in the aggregate under the Transaction Agreement (and all agreements contemplated thereby or entered into pursuant thereto) to a level, in respect of any period, which is insufficient to service the Lessee's outstanding debt and rental obligations in respect of such period, taking into account cash available to members of the Conrail Group from all other sources to service such obligations."

ARTICLE II

MISCELLANEOUS

SECTION 2.1. Capitalized terms used but not defined herein have the respective meanings set forth in Appendix A to the Lease Agreement.

SECTION 2.2. Except as amended hereby, the Operative Documents are in all respects ratified and confirmed, and all of the terms, provisions and conditions thereof shall be and remain in full force and effect; provided that no such term, provision or condition shall be read or interpreted so as to conflict with or prohibit the making of any conveyance, transfer, lease or sublease described in or contemplated by the Transaction Agreement.

SECTION 2.3. If any provision of this Amendment Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 2.4. This Amendment Agreement has been delivered in the Commonwealth of Pennsylvania. It shall be governed by, and construed in accordance with, the laws of Japan.

SECTION 2.5 This Amendment Agreement shall be effective only upon the execution hereof by all of the parties hereto.

SECTION 2.6. This Amendment Agreement may be executed in any number of counterparts, each of which shall be an original but such counterparts shall together constitute one and the same instrument. Delivery by telecopier of an executed signature page hereto shall be effective as delivery of a manually executed counterpart thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment Agreement to be executed as of the day and year first above written.

CONSOLIDATED RAIL CORPORATION

By: Thomas J. McFadden
Name: Thomas J. McFadden
Title: Treasurer

NBB PHILADELPHIA LEASE CO., LTD

By: _____
Name:
Title:

BARCLAYS BANK PLC, TOKYO BRANCH

By: _____
Name:
Title:

STATE OF Pennsylvania:)
) SS.:
COUNTY OF Philadelphia:)

On this, the 2ND day of October, 1998, before me, a notary public, personally appeared Thomas J. McFadden, to me known, who, being by me duly sworn, did depose and say that he/she is the Treasurer of Consolidated Rail Corporation, one of the parties described in and which executed the foregoing instrument; that said instrument was executed on October 2, 1998 on behalf of said party by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said party.

Sworn to before me this
2ND day of October, 1998.

[Notarial Seal]

Suzanne J. Rossomando
NOTARY PUBLIC
MY COMMISSION EXPIRES ON

NOTARIAL SEAL
Suzanne J Rossomando, Notary Public
City of Philadelphia, Phila County
My Commission Expires June 28, 1999

IN WITNESS WHEREOF, the parties hereto have caused this Amendment Agreement to be executed as of the day and year first above written

CONSOLIDATED RAIL CORPORATION

By _____
Name
Title

NBB PHILADELPHIA LEASE CO , LTD

By _____
Name ICHIRO TSUNODA
Title DIRECTOR

BARCLAYS BANK PLC, TOKYO BRANCH

By _____
Name
Title

CERTIFICATION OF SIGNATURE

I, James McGeehan, Corporate Secretary of Consolidated Rail Corporation ("Conrail"), do hereby certify that the attached is a true and correct copy of the signature of Ichiro Tsumoda, Director of NBB Philadelphia Lease Co. Ltd as received by Conrail

Sworn to and subscribed this
27th day of April, 1999

James McGeehan

ATTEST

Elizabeth C. Gallagher

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

IN WITNESS WHEREOF, the parties hereto have caused this Amendment Agreement to be executed as of the day and year first above written.

CONSOLIDATED RAIL CORPORATION

By: _____
Name:
Title.

NBB PHILADELPHIA LEASE CO., LTD

By: _____
Name:
Title:

BARCLAYS BANK PLC, TOKYO BRANCH

By: _____
Name: **SATOAKI TAKAHASHI**
Title: **Director**

CERTIFICATION OF SIGNATURE

I, James McGeehan, Corporate Secretary of Consolidated Rail Corporation ("Conrail"), do hereby certify that the attached is a true and correct copy of the signature of Satoaki Takahashi, Director of Barclays' Bank, PLC as received by Conrail

Sworn to and subscribed this
27th day of April, 1999

James McGeehan

ATTEST

Elizabeth C. Gallagher

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