

DUPLICATE COUNTERPART

LEASE AND INDENTURE SUPPLEMENT NO. 1

17035 ^B

REGISTRATION NO. _____ FILED 1425

Dated September 27, 1990

SEP 27 1990 -12 30 PM

Among

INTERSTATE COMMERCE COMMISSION

WILMINGTON TRUST COMPANY
not in its individual capacity but solely as trustee,
Lessor/Owner Trustee,

CSX TRANSPORTATION, INC.,
Lessee

and

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY
not in its individual capacity but solely as trustee,
Indenture Trustee

27 General Electric Dash 8-40C
4,000 Horsepower Locomotives

[CSX Trust 1990/BNY-1]

CERTAIN RIGHTS, TITLE AND INTEREST IN AND TO THIS LEASE AND INDENTURE SUPPLEMENT NO. 1 AND TO THE RAIL EQUIPMENT COVERED HEREBY OF WILMINGTON TRUST COMPANY, AS OWNER TRUSTEE, HAVE BEEN ASSIGNED TO AND ARE SUBJECT TO A LIEN AND SECURITY INTEREST IN FAVOR OF THE MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, AS INDENTURE TRUSTEE UNDER AN INDENTURE, MORTGAGE AND SECURITY AGREEMENT DATED AS OF SEPTEMBER 15, 1990. TO THE EXTENT, IF ANY, THAT THIS LEASE AND INDENTURE 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 LEASE AND INDENTURE 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 THE MERCANTILE-SAFE DEPOSIT AND 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 SEPTEMBER __, 1990
AT __: __ .M., RECORDATION NUMBER _____.

THIS LEASE AND INDENTURE SUPPLEMENT NO. 1, dated September 27, 1990, among WILMINGTON TRUST COMPANY, a Delaware banking corporation, not in its individual capacity but solely as Owner Trustee ("Lessor" or "Owner Trustee") under that certain Trust Agreement dated as of September 15, 1990 (the "Trust Agreement") with BNY LEASING CORPORATION, a New York corporation, (the "Owner Participant"), CSX TRANSPORTATION, INC., a Virginia corporation (the "Lessee") and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland 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 Owner Participant and the Loan Participants listed on Schedule I thereto, heretofore entered into a Participation Agreement (the "Participation Agreement"), Lessor and Lessee have heretofore entered into a Lease Agreement (the "Lease") and the Indenture Trustee and Owner Trustee have heretofore entered into an Indenture, Mortgage and Security Agreement (the "Indenture"), each dated as of September 15, 1990 (capitalized terms used herein without definitions having the respective meanings set forth in Schedule X to the Lease);

WHEREAS, the Participation Agreement and the Lease provide that on the 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 Rail Equipment to be conveyed on such Closing Date, and said Bill of Sale has been delivered by Seller and accepted by Owner Trustee on the 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 Rail Equipment under the Lease as and when delivered by Lessor to Lessee in accordance with the terms thereof and subjecting such Rail Equipment 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 Rail Equipment listed on Schedule 1 hereto.

2. Lessee hereby confirms to Lessor that Lessee has accepted such Rail Equipment for all purposes hereof and of the Lease. The date of delivery and acceptance of such Rail Equipment under the Lease is the date of this Lease and Indenture Supplement No. 1 set forth in the opening paragraph hereof. The Lease Term for such Rail Equipment shall commence on the date hereof.

3. The aggregate Lessor's Cost of the Rail Equipment leased hereunder is \$37,800,000 and the amounts comprising such Lessor's Cost and the Lessor's Cost of each Unit leased hereunder are set forth on Schedule 1 hereto. The Basic Rent and the Stipulated Loss Values and Termination Values for the Rail Equipment set forth, respectively, on Schedules 2, 3 and 4 hereto shall be applicable in respect of the Rail Equipment 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. 1, on the Basic Term Commencement Date to pay all or any portion of the Interim Amount required to be advanced by the Lessee for each Unit leased hereunder as provided for in the Lease and on each Payment Date to pay Basic Rent to Lessor for each Unit 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 all of the Notes from time to time Outstanding under the Indenture and of all other amounts payable to or for the benefit of the Holders of the Notes and the Indenture Trustee under the Indenture, the Participation Agreement and the Indenture Estate Documents, and the performance and observance by the Owner Participant and the Owner Trustee of all agreements, covenants and provisions contained in the Indenture or in any other Operative Document (other than the Tax Indemnification Agreement), Lessor has granted, conveyed, pledged, sold, mortgaged, assigned, transferred and set over a security interest unto the Indenture Trustee in (i) the Rail Equipment listed on Schedule 1 hereto and (ii) this Lease and Indenture Supplement No. 1, in each case excluding Excepted Property and Excepted Rights, to have and to hold unto the Indenture Trustee and its successors and its assigns in trust for the benefit and security for the Holders from time to time of the Notes and 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. 1 to the same extent as if fully set forth herein.

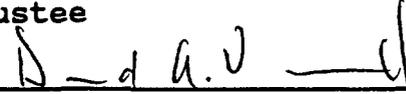
7. This Lease and Indenture Supplement No. 1 may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

8. This Lease and Indenture Supplement No. 1 is being delivered in the State of Maryland and shall in all respects be governed by, and construed in accordance with, the laws of the State of Maryland, including all matters of construction, validity and performance.

IN WITNESS WHEREOF, Lessor, Lessee and Indenture Trustee have caused this Lease and Indenture Supplement No. 1 to be duly executed on the date and year set forth in the opening paragraph hereof.

Lessor/Owner Trustee

WILMINGTON TRUST COMPANY
not in its individual capacity but solely as Owner Trustee

By 
Title: Financial Services Officer

Lessee

CSX TRANSPORTATION, INC.

By _____
Title:

Indenture Trustee

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY
not in its individual capacity but solely as Indenture Trustee

By 
Title: Vice President

ATTEST:

By 
Title: CORPORATE TRUST OFFICER

IN WITNESS WHEREOF, Lessor, Lessee and Indenture
Trustee have caused this Lease and Indenture Supplement No. 1
to be duly executed on the date and year set forth in the
opening paragraph hereof.

Lessor/Owner Trustee

WILMINGTON TRUST COMPANY
not in its individual capa-
city but solely as Owner
Trustee

By _____
Title:

Lessee

CSX TRANSPORTATION, INC.

By A. B. [Signature]
Title: Treasurer

Indenture Trustee

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY
not in its individual capa-
city but solely as Indenture
Trustee

ATTEST:

By _____
Title:

By _____
Title:

Receipt of this original counterpart of this Lease and Indenture Supplement No. 1 is hereby acknowledged this day of September __, 1990.

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY
as Indenture Trustee

ATTEST:

By _____
Title:

By _____
Title:

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

On this 24th day of September, 1990, before me personally appeared David A. Vanaskey, Jr., to me personally known, who, being by me duly sworn, says that he is Financial Services Officer of Wilmington Trust Company, 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.

Marcin F. Bennett
Notary Public

My Commission Expires: 1/1/92
[Notary Seal]

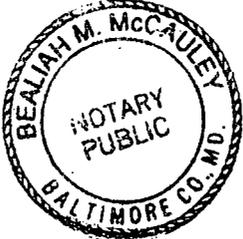
STATE OF MARYLAND)
) ss.:
CITY OF BALTIMORE)

On this 24th day of September, 1990, before me personally appeared A. B. Aftoora, to me personally known, who, being by me duly sworn, says that he is Treasurer of 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.

Beulah M. McCauley
Notary Public

My Commission Expires: 11-1-93

[Notary Seal]

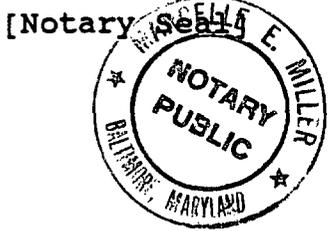


STATE OF MARYLAND)
City) ss.:
COUNTY OF BALTIMORE)

On this 28th day of September, 1990, before me personally appeared John M. Mitchell, to be personally known, who, being by me duly sworn, says that he is Vice-president of Mercantile-Safe Deposit and Trust Company, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Manuel E. Miller
Notary Public

My Commission Expires: 11/1/93



SCHEDULE 1

SCHEDULE OF RAIL EQUIPMENT TO BE DELIVERED

**Description: General Electric Dash 8-40C 4,000 Horsepower
Locomotives**

Quantity: 27

Road Numbers: CSXT 7594 through CSXT 7620

Lessor's Cost Per Unit: \$1,400,000

Aggregate Lessor's Cost: \$37,800,000

BNY/New Locos

SCHEDULE 2
to
Lease and Indenture
Supplement No. 1

BASIC RENT

<u>Payment Date</u>			<u>Total Percentage of Lessor's Cost</u>	<u>Portion of Percentage of Lessor's Cost Payable in Advance</u>	<u>Portion of Percentage of Lessor's Cost Payable in Arrears</u>
MARCH	26	1991	0.000000000	0.000000000	0.000000000
SEPTEMBER	26	1991	3.407932487	0.000000000	3.407932487
MARCH	26	1992	5.141423942	0.000000000	5.141423942
SEPTEMBER	26	1992	3.407932487	0.000000000	3.407932487
MARCH	26	1993	5.141423942	0.000000000	5.141423942
SEPTEMBER	26	1993	3.407932487	0.000000000	3.407932487
MARCH	26	1994	5.141423942	0.000000000	5.141423942
SEPTEMBER	26	1994	3.407932487	0.000000000	3.407932487
MARCH	26	1995	5.141423942	0.000000000	5.141423942
SEPTEMBER	26	1995	3.407932487	0.000000000	3.407932487
MARCH	26	1996	5.141423942	0.000000000	5.141423942
SEPTEMBER	26	1996	3.407932487	0.000000000	3.407932487
MARCH	26	1997	5.141423942	0.000000000	5.141423942
SEPTEMBER	26	1997	3.407932487	0.000000000	3.407932487
MARCH	26	1998	5.141423942	0.000000000	5.141423942
SEPTEMBER	26	1998	3.345818968	0.000000000	3.345818968
MARCH	26	1999	5.203537434	0.000000000	5.203537434
SEPTEMBER	26	1999	3.258748360	0.000000000	3.258748360
MARCH	26	2000	5.290608042	0.000000000	5.290608042
SEPTEMBER	26	2000	3.219839153	0.000000000	3.219839153
MARCH	26	2001	5.329517275	0.000000000	5.329517275
SEPTEMBER	26	2001	3.139600926	0.000000000	3.139600926
MARCH	26	2002	5.409755503	0.000000000	5.409755503
SEPTEMBER	26	2002	3.441227302	0.000000000	3.441227302
MARCH	26	2003	6.058057619	0.000000000	6.058057619
SEPTEMBER	26	2003	3.709022302	0.000000000	3.709022302
MARCH	26	2004	6.740191085	0.000000000	6.740191085
SEPTEMBER	26	2004	2.701750979	0.000000000	2.701750979
MARCH	26	2005	16.166832407	8.419370000	7.747462407
SEPTEMBER	26	2005	2.029843386	2.029843386	0.000000000
MARCH	26	2006	8.419370000	8.419370000	0.000000000
SEPTEMBER	26	2006	2.029843386	2.029843386	0.000000000
MARCH	26	2007	8.572680688	8.572680688	0.000000000
SEPTEMBER	26	2007	1.876532698	1.876532698	0.000000000
MARCH	26	2008	8.772614259	8.772614259	0.000000000
SEPTEMBER	26	2008	1.676599127	1.676599127	0.000000000
MARCH	26	2009	9.002039153	9.002039153	0.000000000
SEPTEMBER	26	2009	1.447174233	1.447174233	0.000000000
MARCH	26	2010	9.250190212	9.250190212	0.000000000
SEPTEMBER	26	2010	1.199023201	1.199023201	0.000000000
MARCH	26	2011	9.684207381	9.684207381	0.000000000
SEPTEMBER	26	2011	0.765006005	0.765006005	0.000000000
MARCH	26	2012	10.165017989	10.165017989	0.000000000
SEPTEMBER	26	2012	0.284195397	0.284195397	0.000000000
MARCH	26	2013	10.449213333	10.449213333	0.000000000
SEPTEMBER	26	2013	0.000000000	0.000000000	0.000000000

SCHEDULE 3
to
Lease and Indenture
Supplement No. 1

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 is payable on a Payment Date when Basic Rent is payable in arrears, the Lessee shall also pay the Basic Rent with respect to such Unit due on the applicable Payment Date, but only to the extent that such Basic Rent is payable in arrears; and if the payment of Stipulated Loss Value in respect of a Unit is payable on a Payment Date when Basic Rent is payable in advance, 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 Rail Equipment leased hereunder on the date hereof.

CSX/BNY New Loco's (Dash 8)

<u>Payment Date</u>	<u>Percentage of Lessor's Cost</u>
26-Mar-91	108.41980174%
26-Sep-91	110.94108924%
26-Mar-92	111.48012420%
26-Sep-92	113.37593824%
26-Mar-93	113.37870821%
26-Sep-93	114.83119717%
26-Mar-94	114.42692143%
26-Sep-94	115.53262162%
26-Mar-95	114.80823997%
26-Sep-95	115.59227901%
26-Mar-96	114.53129644%
26-Sep-96	114.96185372%
26-Mar-97	113.52916998%
26-Sep-97	113.64100853%
26-Mar-98	111.96125697%
26-Sep-98	111.97763783%
26-Mar-99	110.13656122%
26-Sep-99	110.15495113%
26-Mar-2000	108.14177268%
26-Sep-2000	108.10783919%
26-Mar-2001	105.96345380%
26-Sep-2001	105.91450186%
26-Mar-2002	103.59270898%
26-Sep-2002	103.15801809%
26-Mar-2003	100.09611775%
26-Sep-2003	99.28901139%
26-Mar-2004	95.44150084%
26-Sep-2004	95.54114161%
26-Mar-2005	90.66548966%
26-Sep-2005	84.87133890%
26-Mar-2006	85.03785481%
26-Sep-2006	78.81335604%
26-Mar-2007	78.98122433%
26-Sep-2007	72.39621762%
26-Mar-2008	72.53086940%
26-Sep-2008	65.55419195%
26-Mar-2009	65.70068561%
26-Sep-2009	58.30736585%
26-Mar-2010	58.49794207%
26-Sep-2010	50.85995025%
26-Mar-2011	50.99839412%
26-Sep-2011	42.64876035%
26-Mar-2012	43.37333292%
26-Sep-2012	34.48867021%
26-Mar-2013	35.95708034%
26-Sep-2013	27.00000000%
26-Mar-2014	27.00000000%

SCHEDULE 4
to
Lease and Indenture
Supplement No. 1

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 is payable on a Payment Date when Basic Rent is payable in arrears, the Lessee shall also pay the Basic Rent with respect to such Unit due on the applicable Payment Date, but only to the extent that such Basic Rent is payable in arrears; and if the payment of Termination Value in respect of a Unit is payable on a Payment Date when Basic Rent is payable in advance, the Lessee shall not be obligated to pay Basic Rent in respect to such Unit on such Payment Date.

The Termination Value set forth in this Schedule 3 shall be applicable in respect of the Rail Equipment leased hereunder on the date hereof.

CSX/BNY New Loco's (Dash 8)

<u>Payment Date</u>	<u>Percentage of Lessor's Cost</u>
26-Mar-91	108.41980174%
26-Sep-91	110.94108924%
26-Mar-92	111.48012420%
26-Sep-92	113.37893824%
26-Mar-93	113.37870821%
26-Sep-93	114.83113717%
26-Mar-94	114.42892143%
26-Sep-94	116.53262162%
26-Mar-95	114.80823997%
26-Sep-95	115.59227901%
26-Mar-96	114.53129644%
26-Sep-96	114.96185372%
26-Mar-97	113.52916998%
26-Sep-97	113.64100853%
26-Mar-98	111.96126897%
26-Sep-98	111.97763783%
26-Mar-99	110.13655122%
26-Sep-99	110.15495113%
26-Mar-2000	108.14177268%
26-Sep-2000	108.10783919%
26-Mar-2001	105.96345380%
26-Sep-2001	105.81450188%
26-Mar-2002	103.59270898%
26-Sep-2002	103.15801809%
26-Mar-2003	100.09811775%
26-Sep-2003	99.28901139%
26-Mar-2004	95.44150084%
26-Sep-2004	95.54114161%
26-Mar-2005	90.68548988%
26-Sep-2005	84.87133890%
26-Mar-2006	85.03785481%
26-Sep-2006	78.81335804%
26-Mar-2007	78.98122433%
26-Sep-2007	72.39621782%
26-Mar-2008	72.53086940%
26-Sep-2008	65.55419195%
26-Mar-2009	65.70068581%
26-Sep-2009	58.30736585%
26-Mar-2010	58.49794207%
26-Sep-2010	50.85995025%
26-Mar-2011	50.99939412%
26-Sep-2011	42.64878035%
26-Mar-2012	43.37333292%
26-Sep-2012	34.48867021%
26-Mar-2013	35.95708034%
26-Sep-2013	27.00000000%
26-Mar-2014	27.00000000%