

RECORDATION NO. 14867-E FILED

JAN 13 '99

2-30 PM

ALVORD AND ALVORD
ATTORNEYS AT LAW
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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

JAN 13 2 29 PM '99

RECEIVED
SURFACE TRANSPORTATION
BOARD

January 13, 1999

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 two (2) copies of a Amendment Agreement, dated as of July 1, 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/Board under Recordation Number 14867.

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

- Lessee: Consolidated Rail Corporation
2001 Market Street
Philadelphia, PA 19101
- Lessor/Debtor: Mellon Leasing Corporation
One Mellon Bank Center
Pittsburgh, PA 15258
- Secured Party: ORIX USA Corporation
780 Third Avenue
New York, NY 10017

Centerpoints - P.A.

Mr. Vernon A. Williams
January 13, 1999
Page 2

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 one stamped copy of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/bg
Enclosures

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

OFFICE OF THE SECRETARY

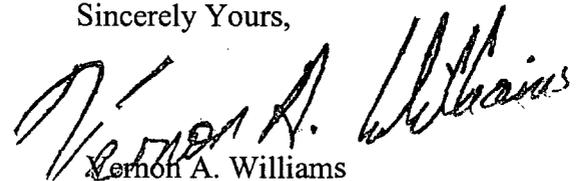
Robert W. Alvord
Alvord and Alvord
918 Sixteenth St., NW., Ste. 200
Washington, DC., 20006-2973

Dear Sir:

The enclosed documents (s) was recorded pursuant to the provisions of 49 U.S.C.
11301 and CFR 1177.3 (c), on 1/13/99 at 2:30 PM, and

assigned recordation numbers (s): ✓ 5403-E, 5510-J, 10877-F, 11197-E, 14327-D,
14867-E, 16686-C and 18317-A.

Sincerely Yours,

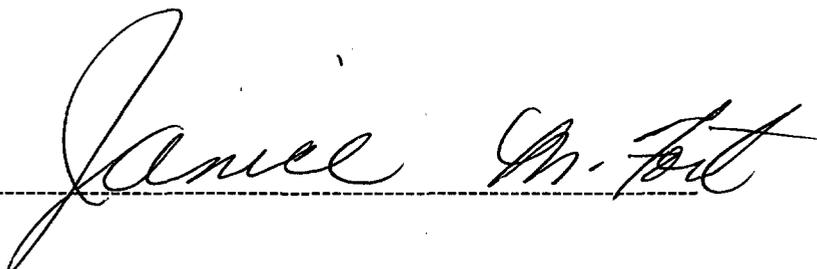

Vernon A. Williams

Enclosure(s)

208.00

\$_____ 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. In the event of an error or any questions concerning this fee, you will receive a notification after the Surface Transportation Board has an opportunity to examine your document.

Signature-----



RECORDATION NO. 14867-E FILED

JAN 13 '99 2-30 PM

[L579]

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"), MELLON LEASING CORPORATION (formerly known as Mellon Financial Services Corp. #3), a Pennsylvania corporation (successor in interest to NEMLC Leasing Associates No. 3) (the "Lessor" or "Debtor"), and ORIX USA CORP., a New York corporation (successor in interest to Orient Leasing USA Corp.) (the "Secured Party").

RECITALS:

WHEREAS, the Lessor and Lessee have entered into the Lease of Railroad Equipment dated as of December 17, 1985, as supplemented and amended from time to time (the "Lease Agreement");

WHEREAS, the Debtor and the Secured Party have entered into a Note Purchase Agreement dated as of March 7, 1986, as supplemented and amended from time to time (the "Note Purchase Agreement"); and

WHEREAS, the Debtor and the Secured Party have entered into the Security Agreement dated as of March 7, 1986, as supplemented and amended from time to time (the "Security 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. Capitalized terms used herein but not defined in the Lease Agreement have the following meanings:

"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 each of New York Central Lines LLC, Pennsylvania Lines LLC, and any successor to either thereof.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, or government or any agency, instrumentality or political subdivision thereof.

“Transaction Agreement” means the transaction agreement dated as of June 10, 1997 among the Lessee, 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 7 of the Lease Agreement is hereby amended by inserting “and any sublessee” after the word “Lessee” in the first sentence of Section 7 and by adding the following paragraph at the end of Section 7:

“At all reasonable times during the term of this Lease and upon reasonable notice, the Lessor or its authorized representative may, at its own expense and cost and at no risk to Lessee, inspect the Units of Equipment. Such inspection may not interfere with the use, operation or maintenance of any Unit of Equipment, or with the normal conduct of Lessee’s business, and Lessee shall not be required to undertake or incur any additional liabilities in connection with such inspection.”

SECTION 1.3. The second paragraph of Section 12 of the Lease Agreement is hereby amended to read as follows:

“So long as no Event of Default exists hereunder, the Lessee shall be entitled to the possession and use of the Units in accordance with the terms of this Lease and, without the prior written consent of the Lessor, the Lessee may sublease the Units to, or permit their use by, a user incorporated or organized in the United States of

America (or any State thereof or the District of Columbia), upon lines of railroad owned or operated by the 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 the Lessee, such user, or such railroad company or companies have trackage rights or rights for operation of their trains, and upon the lines of railroad 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, however, that: (i) except for any sublease with any LLC, CSX Transportation, Inc. or Norfolk Southern Railway Company, the Lessor's consent, not to be unreasonably withheld, must be obtained for any sublease that is for a term longer than six months; (ii) the Lessee shall not sublease or permit the sublease or use of any Unit to service involving operation or maintenance outside the United States of America; (iii) any such sublease or use shall be consistent with the provisions of Section 16 hereof; (iv) the Lessee will not, and will not permit any of the LLCs to, sublease any of the Units unless the agreement governing such sublease expressly provides that (a) the sublease of such Unit thereunder shall be junior and subordinate to this Lease, and (b) upon a default by the Lessee under this Lease, the sublessee under such sublease shall surrender possession of such Units in accordance with the provisions of this Lease; (v) Lessee will not permit any LLC to sublease any Unit 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 Unit from the Lessee to such LLC; and (vi) such sublease shall provide that the sublessee must comply with all inspection and insurance requirements under the Lease. No such assignment or sublease shall discharge or diminish any of the Lessee's obligations under the Lease Agreement, for which obligations the Lessee shall be and remain primarily liable as principal and not as surety."

ARTICLE II

MISCELLANEOUS

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

SECTION 2.2. The Lessee will provide the Secured Party with quarterly and fiscal year-end financial statements of CSX Transportation, Inc. and Norfolk Southern Railway Company promptly upon their becoming available to the Lessee.

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. The parties hereto each hereby agree to execute and deliver or cause to be executed and delivered, such other documents, instruments and agreements, and take such further actions, as any party may, from time to time, reasonably request in order to effectuate the purposes and to carry out the terms of this Amendment Agreement.

SECTION 2.5. This Amendment Agreement shall be construed in accordance with and governed by the laws of the Commonwealth of Pennsylvania.

SECTION 2.6. This Amendment Agreement shall be effective only upon the execution hereof by all of the parties hereto.

SECTION 2.7. 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

MELLON LEASING CORPORATION
(formerly known as Mellon Financial Services Corp. #3)

By: _____
Name:
Title:

ORIX USA CORPORATION

By: _____
Name:
Title:

STATE OF Pennsylvania :)
)
COUNTY OF Philadelphia :)

SS.:

On this, the 12th 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 12, 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
12th day of October, 1998.

[Notarial Seal]


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:

MELLON LEASING CORPORATION
(formerly known as Mellon Financial Services Corp. #3)

By: Lily A. Dastur
Name: Lily A. Dastur
Title: Vice President

ORIX USA CORPORATION

By: _____
Name:
Title:

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

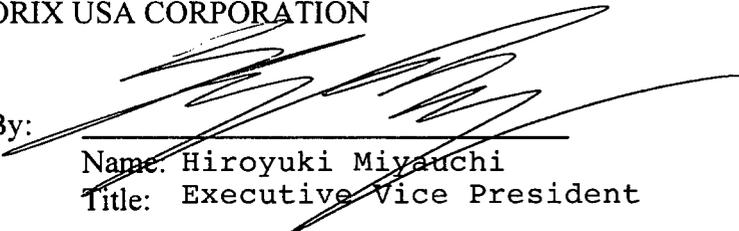
CONSOLIDATED RAIL CORPORATION

By: _____
Name:
Title:

MELLON LEASING CORPORATION
(formerly known as Mellon Financial Services Corp. #3)

By: _____
Name:
Title:

ORIX USA CORPORATION

By: 
Name: Hiroyuki Miyauchi
Title: Executive Vice President

