

RECORDATION NO. 18478 FILED A

ALVORD AND ALVORD
ATTORNEYS AT LAW
918 SIXTEENTH STREET, N.W.
SUITE 200
WASHINGTON, D.C.

JAN 14 '99

11-15 AM

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

20006-2973

OF COUNSEL
URBAN A. LESTER

(202) 393-2266

FAX (202) 393-2156

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 18478.

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

Lessee: Consolidated Rail Corporation
2001 Market Street
Philadelphia, PA 19101

Lessor: PNC Leasing Corp.
Two PNC Plaza
Pittsburgh, PA 15265

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

This transaction does not involve any new or additional railroad equipment.

Country Partners - V. Bartman

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

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,

A handwritten signature in black ink, appearing to read "Robert W. Alvord", written in a cursive style.

Robert W. Alvord

RWA/bg
Enclosures

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

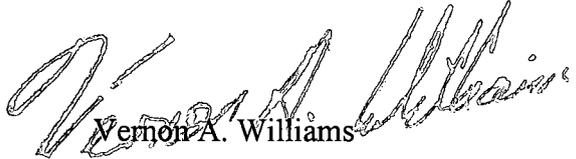
OFFICE OF THE SECRETARY

Robert W. Alvord
Alvord and Alvord
918 Sixteenth Street, 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 1/14/99 at 11:15AM, and
assigned recordation numbers (s) 5565-I, 5760-I, 9383-E, 14496-A, 15335-E,
18478-A, 19326-B, 20274-B, 20321-B,
20403-R and 20959-C.

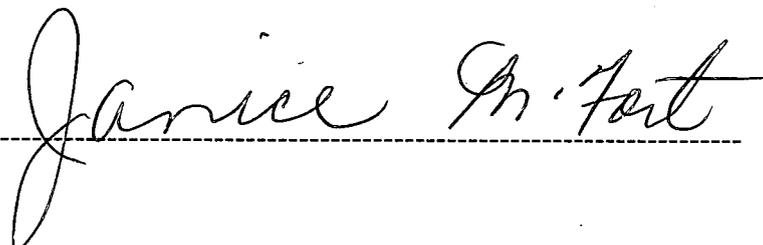
Sincerely Yours,


Vernon A. Williams

Enclosure(s)
286.00

\$_____ 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



[L694]

RECORDATION NO. 18478-A FILED

JAN 14 '99

11-15 AM

AMENDMENT AGREEMENT

THIS AMENDMENT AGREEMENT, dated as of July 1, 1998 (the "Amendment Agreement"), is made by and between PNC Leasing Corp, as lessor (the "Lessor"), and Consolidated Rail Corporation, as lessee (the "Lessee").

PRELIMINARY STATEMENTS:

WHEREAS, the Lessor and Lessee have entered into a certain Lease of Railroad Equipment, dated as of November 19, 1993, as amended and supplemented from time to time (the "Lease Agreement"); and

WHEREAS, the Lessor and Lessee now desire to amend the Lease Agreement, as hereinafter provided.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and promises herein contained and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Lessor and Lessee hereby agree as follows:

Section 1. Certain Defined Terms. Capitalized terms used but not defined herein have the respective meanings set forth in the Lease Agreement. Capitalized terms used herein but not defined in the Lease Agreement have the following meanings:

"Affiliate" means, as applied to any company, any other company directly or indirectly controlling, controlled by, or under common control with such company.

"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.

“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.

Section 2. Amendments to Lease Agreement.

Section 2.1 The second paragraph of Section 12 of the Lease Agreement shall be deleted in its entirety and the following substituted therefor:

“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 assign and/or 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, except for any sublease to an Affiliate of the Lessee, the Lessor’s consent, not to be unreasonably withheld, must be obtained for any sublease that is for a term longer than twelve months; provided, further, however, that the Lessee shall not sublease, assign or permit the sublease, assignment or use of any Unit to service involving predominant operation or maintenance outside the United States of America; provided, further, however, that any such sublease or assignment or use shall be consistent with the provisions of Section 16 hereof; provided, further, however, that the Lessee will not, and will not permit any of its LLCs to, sublease any of the Units if such sublease would have an adverse effect on the benefits available to the Lessor under this Lease pursuant to 11 U.S.C. § 1168; and provided, further, however, that 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 (i) the sublease of such Unit thereunder shall be junior and subordinate to this Lease, and (ii) upon a default by the Lessee under this Lease, the sublessee under such sublease shall surrender possession of such Unit in accordance with the provisions of this Lease. Such sublease shall in no way discharge or diminish any of the Lessee’s obligations under this Lease, for which obligations the Lessee shall be and remain primarily liable as principal and not as surety. The Lessee shall provide to the Lessor a true and complete copy of each sublease when such agreement is available.”

Section 2.2 Section 5A 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 of the Units by any LLC other than to the Lessee.”

Section 3. Reconfirmation. The Lessor and the Lessee hereby ratify, approve and confirm their rights and obligations in each and every respect under the Lease Agreement, as amended by this Amendment Agreement.

Section 4. Further Assurances. The Lessor and Lessee 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 either 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 5. Legal Expenses. The Lessee agrees to pay all reasonable legal expenses up to a maximum of \$1,000.00 incurred by the Lessor in connection with this Amendment Agreement.

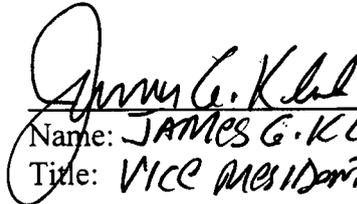
Section 6. Amendment or Waiver. This Amendment Agreement may not be amended, waived or modified without the written consent of the party to be bound thereby.

Section 7. Governing Law. This Amendment Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania.

Section 8. Execution in Counterparts. This Amendment Agreement may be signed in separate counterparts, each of which shall be deemed an original and all of which together shall 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 undersigned have caused this Amendment Agreement to be executed by their respective officers or representatives or attorneys-in-fact thereunto duly authorized, as of the date first above written.

PNC LEASING CORP

By: 
Name: JAMES G. KLOCEK
Title: VICE PRESIDENT

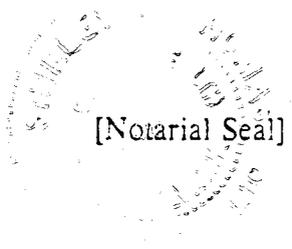
CONSOLIDATED RAIL CORPORATION

By: _____
Name:
Title:

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

On this, the 6th day of October, 1998, before me, a notary public, personally appeared James G. Klocek, to me known, who, being by me duly sworn, did depose and say that he/~~she~~ is the Vice President of PNC Leasing Corp, one of the parties described in and which executed the foregoing instrument; that said instrument was executed on October 6, 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
6 day of October, 1998.



[Notarial Seal]

Shirley A. Thomas

NOTARY PUBLIC
MY COMMISSION EXPIRES ON

Notarial Seal
Shirley A. Thomas, Notary Public
Pittsburgh, Allegheny County
My Commission Expires June 12, 2000
Member, Pennsylvania Association of Notaries

IN WITNESS WHEREOF, the undersigned have caused this Amendment Agreement to be executed by their respective officers or representatives or attorneys-in-fact thereunto duly authorized, as of the date first above written.

PNC LEASING CORP

By: _____
Name:
Title:

CONSOLIDATED RAIL CORPORATION

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

STATE OF Pennsylvania)
COUNTY OF Philadelphia)

SS.:

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