

RECORDATION NO. 15596-7 FILED

FEB 10 '99

1-45 PM

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

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

20006-2973

OF COUNSEL
URBAN A. LESTER

(202) 393-2266

FAX (202) 393-2156

February 9, 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 an Amendment Agreement, dated as of August 25, 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 15596.

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

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

Lessor: State Street Bank and Trust Company (successor in
interest to The Connecticut Bank and Trust
Company)
2 International Plaza
Boston, MA 02110

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

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

Counterparts - J.A.L.

Mr. Vernon A. Williams
February 9, 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", with a stylized flourish at the end.

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

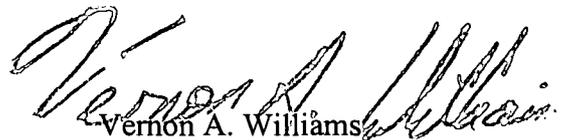
Dear Sir:

The enclosed documents (s) was recorded pursuant to the provisions of 49 U.S.C.

11301 and CFR 1177.3 (c), on 2/10/99 at 1:45PM, and

assigned recordation numbers (s): 12014-G, 14098-F, 14241-I, 14479-C, 14993-H,
15224-C, 15596-I, 15728-A, 15729-B, 18414-H
and 19708-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-----



AMENDMENT AGREEMENT

RECORDATION NO. 15596-I FILED

in respect of

FEB 10 '99

1-45 PM

1988 Equipment Trust Certificates, Series A

AMENDMENT AGREEMENT (this "Amendment Agreement") dated as of August 25, 1998 among CONSOLIDATED RAIL CORPORATION, a Pennsylvania corporation (the "Company"), ORIX USA CORPORATION, a Delaware corporation (successor in interest to Orient Leasing USA Corporation) (the "Owner Participant"), and STATE STREET BANK AND TRUST COMPANY, a Massachusetts corporation (successor in interest to The Connecticut National Bank), not in its individual capacity but solely as owner trustee under the trust agreement referred to below (the "Owner Trustee").

RECITALS

WHEREAS, the Company, the Owner Participant, the Owner Trustee and THE BANK OF NEW YORK, a New York banking corporation (successor in interest to Mercantile-Safe Deposit and Trust Company), not in its individual capacity but solely as equipment trust trustee under the equipment trust agreement referred to below, have entered into Participation Agreement #1 dated as of April 1, 1988 (the "Participation Agreement"), under which the 1988 Equipment Trust Certificates, Series A, of the Company (the "Certificates") were issued;

WHEREAS, the Owner Participant and the Owner Trustee have entered into Trust Agreement #1 dated as of April 1, 1988 (the "Trust Agreement");

WHEREAS, the Owner Trustee as lessor and the Company as lessee have entered into Lease Agreement #1 dated as of April 1, 1988 (the "Lease Agreement");

WHEREAS, the Owner Trustee and the Equipment Trust Trustee have entered into Equipment Trust Agreement #1 dated as of April 1, 1988 (the "Equipment Trust Agreement"); and

WHEREAS, the Owner Trustee (at the direction and with the consent of the Owner Participant) and the Company wish to amend the Lease Agreement and the Participation 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.

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

"Transaction Agreement" means the transaction agreement dated as of June 10, 1997 among the Company, 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(a) of the Lease Agreement is hereby amended to read as follows:

"(a) Maintenance. Lessee, or any sublessee, at its own expense and in a manner comparable to that of other Class I line-haul railroads, will maintain and service each Item of Equipment in the same manner as employed by Lessee or sublessee for similar items of equipment owned or leased by it at such time and will adhere to Lessee's applicable standard preventative maintenance schedule with respect to such Item of Equipment, which will include testing appropriate thereto, repair and overhaul so that such Item of Equipment will remain (i) in as good operating condition as when delivered (ordinary wear and tear excepted), (ii) in compliance with any and all Applicable Law, (iii) suitable for immediate purchase or lease and immediate regular use in main line freight service by a Class I line-haul railroad, and (iv) eligible under all manufacturer's warranties. Lessee agrees and any sublessee will agree that it will not discriminate against any Item of Equipment (as compared to other similar equipment owned or operated by Lessee) with respect to its use, operation or maintenance in contemplation of the expiration or termination of this Lease."

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, subject to Section 7(c) of the Lease, 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 the Provinces of Ontario, British Columbia, Alberta, Saskatchewan and Manitoba of Canada in the usual interchange of traffic or in through or run-through service.”

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

“(c) Possession. Except as otherwise permitted by Section 7(b) or herein in this Section 7(c), Lessee will 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 shall not deprive Lessor of its title to (or, so long as the Equipment Trust Agreement is in effect, shall not deprive the Equipment Trust Trustee of its legal title to and its perfected lien created under the Equipment Trust Agreement on) 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 organized in the United States of America (or any State thereof or the District of Columbia), upon lines of railroad owned or operated by Lessee or such user or by a railroad company or companies 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 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) Lessor's consent, not to be unreasonably withheld, must be obtained for any sublease (other than any sublease to any LLC, CSX Transportation, Inc., or Norfolk Southern Railway Company) that is for a term longer than 12 months; (ii) such sublease or permitted 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 the Provinces of Ontario, British Columbia, Alberta, Saskatchewan and Manitoba of Canada; (iii) Lessee will not, and will not permit any of the LLCs to, sublease any Item of Equipment unless the agreement governing such sublease expressly provides that (a) the sublease of such Item of Equipment thereunder shall be junior and subordinate to the Lease, and (b) upon a default by Lessee under the Lease, the sublessee under such sublease shall surrender possession of the Item of Equipment in accordance with the provisions of the Lease; (iv) 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 Lessee to secure all amounts payable by such LLC to Lessee under the sublease of such Item of Equipment from Lessee to

such LLC and (v) such sublease shall provide that the sublessee must comply with all inspection and insurance requirements under the Lease. No such assignment or sublease shall relieve Lessee of its obligations under any Operative Document, for which obligations Lessee shall be and remain primarily liable as principal and not as surety.

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 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 herein without definition have the meanings specified therefor in Appendix A to the Lease Agreement.

SECTION 2.2. The Lessee will provide the Owner Participant 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. This Amendment Agreement shall be construed in accordance with and governed by the laws of the State of New York, without regard to principles of conflicts of laws.

SECTION 2.5. The Owner Participant hereby authorizes and directs the Owner Trustee to execute and deliver this Amendment Agreement.

SECTION 2.6. This Amendment Agreement shall not be effective against the Owner Trustee unless and until executed by the Owner Participant.

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 but one and the same instrument.

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

ORIX USA CORPORATION

By _____
Name:
Title:

STATE STREET BANK AND TRUST COMPANY,
not in its individual capacity but solely
as Owner Trustee

By _____
Name:
Title:

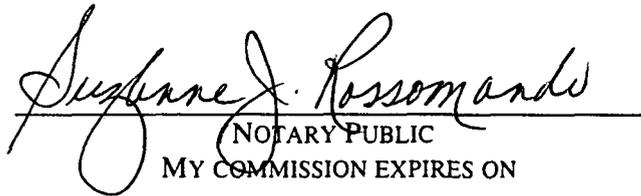
STATE OF Pennsylvania :)
)
COUNTY OF Philadelphia :)

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. Rosomando, 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:

ORIX USA CORPORATION

By _____

Name: Hiroyuki Miyauchi

Title: Executive Vice President

STATE STREET BANK AND TRUST COMPANY,
not in its individual capacity but solely
as Owner Trustee

By _____

Name:

Title:

STATE OF New York :)

COUNTY OF New York :)

SS.:

On this, the 17th day of November, 1998, before me, a notary public, personally appeared Hiroiyuki Miyachi, to me known, who, being by me duly sworn, did depose and say that he/~~she~~ is the Executive Vice President of ORIX USA Corporation, one of the parties described in and which executed the foregoing instrument; that said instrument was executed on November 17, 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
17th day of November, 1998.

[Notarial Seal]



NOTARY PUBLIC

MY COMMISSION EXPIRES ON

DIANA LENZ
Notary Public, State of New York
No. 31-4917508
Qualified in New York County
Commission Expires January 18, 2000

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

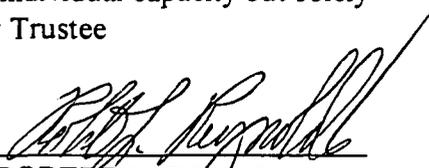
CONSOLIDATED RAIL CORPORATION

By _____
Name:
Title:

ORIX USA CORPORATION

By _____
Name:
Title:

STATE STREET BANK AND TRUST COMPANY,
not in its individual capacity but solely
as Owner Trustee

By _____ 
Name: **ROBERT L. REYNOLDS**
Title: **VICE PRESIDENT**

STATE OF CONNECTICUT :)
)
COUNTY OF HARTFORD :) SS.:

On this, the 20th day of JANUARY, 1999, before me, a notary public, personally appeared ROBERT L. REYNOLDS, to me known, who, being by me duly sworn, did depose and say that he/she is the VICE PRESIDENT of STATE STREET BANK AND TRUST COMPANY, one of the parties described in and which executed the foregoing instrument; that said instrument was executed on JANUARY 20, 1999 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
20th day of January, 1998.

[Notarial Seal]


NOTARY PUBLIC
MY COMMISSION EXPIRES ON
MELISSA A. DuMONT
NOTARY PUBLIC
MY COMMISSION EXPIRES AUG. 31, 2001