

RECORDATION NO. 17022-E FILED

MAY 14 2001 2:41 PM  
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SURFACE TRANSPORTATION BOARD

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

OF COUNSEL  
URBAN A. LESTER

May 14, 2001

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 Lease and Indenture Supplement No. 3, dated as of May 11, 2001, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Lease Agreement No. 2 and Indenture Agreement No. 2 which were duly filed with the Commission under Recordation Number 17022.

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

Lessor/Owner Trustee: Wilmington Trust Company  
Rodney Square North  
1100 North Market  
Wilmington, Delaware 19890

Lessee: CSX Transportation, Inc.  
500 Water Street  
Jacksonville, Florida 32202

Indenture Trustee: The Bank of New York  
10161 Centurion Parkway  
Jacksonville, Florida 32256

Mr. Vernon A. Williams  
May 14, 2001  
Page Two

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

5 railcars within the series CSXT 385169 - CSXT 385259

A short summary of the document to appear in the index follows:

Lease and Indenture Supplement No. 3

Also enclosed is a check in the amount of \$28.00 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/anm  
Enclosures

Schedule 1  
Casualtied Railcars and Substituted Railcars  
Trust No. 2

Quantity of Units	CSX Casualty Car Number	Built Date	Rebuilt Date	Estimated Current FMV (Per Car)*	CSX Substitute Car Number	Built Date	Rebuilt Date	Estimated Current FMV (Per Car)*
1	CSXT383727	1971	1990	\$11,000-\$12,000	CSXT385169	1975	1990	\$11,000-\$12,000
1	CSXT384005	1970	1990	\$11,000-\$12,000	CSXT385171	1976	1990	\$11,000-\$12,000
1	CSXT384154	1975	1990	\$11,000-\$12,000	CSXT385176	1976	1990	\$11,000-\$12,000
1	CSXT383888	1970	1990	\$11,000-\$12,000	CSXT385242	1976	1990	\$11,000-\$12,000
1	CSXT383910	1975	1990	\$11,000-\$12,000	CSXT385259	1976	1990	\$11,000-\$12,000

\* Assuming railcars had not been destroyed.

LEASE AND INDENTURE SUPPLEMENT NO. 3

Dated as of May 11, 2001

Among

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

CSX TRANSPORTATION, INC.  
Lessee

and

THE BANK OF NEW YORK,  
successor in interest to Mercantile-Safe Deposit and Trust Company,  
not in its individual capacity but solely as trustee,  
Indenture Trustee

ALL RIGHT, TITLE AND INTEREST IN AND TO THIS LEASE AND INDENTURE SUPPLEMENT NO. 3 AND TO THE RAILCARS COVERED HEREBY ON THE PART OF WILMINGTON TRUST COMPANY, AS OWNER TRUSTEE, HAS BEEN ASSIGNED TO AND IS SUBJECT TO A LIEN AND SECURITY INTEREST IN FAVOR OF THE BANK OF NEW YORK, SUCCESSOR IN INTEREST TO MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, AS INDENTURE TRUSTEE UNDER AN INDENTURE AND SECURITY AGREEMENT NO. 2 DATED AS OF SEPTEMBER 1, 1990. TO THE EXTENT, IF ANY, THAT THIS LEASE AND INDENTURE SUPPLEMENT NO. 3 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. 3 MAY BE CREATED THROUGH THE TRANSFER OR POSSESSION OF ANY COUNTERPART OTHER THAN THE ORIGINAL COUNTERPART THAT CONTAINS THE RECEIPT THEREFOR EXECUTED BY THE BANK OF NEW YORK, AS INDENTURE TRUSTEE, ON OR IMMEDIATELY FOLLOWING THE SIGNATURE PAGE THEREOF.

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FILED WITH THE SURFACE TRANSPORTATION BOARD  
PURSUANT TO 49 U.S.C. § 11301 ON \_\_\_\_\_, 2001  
AT \_\_\_:\_\_\_ A.M. RECORDATION NUMBER \_\_\_\_\_.

RECORDATION NO. 17022-E FILED

MAY 14 '01 2-41 PM

SURFACE TRANSPORTATION BOARD

THIS LEASE AND INDENTURE SUPPLEMENT NO. 3 (this "Supplement"), dated as of May \_\_, 2001, 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 No. 2 dated as of September 1, 1990 (the "Trust Agreement") with Chase Manhattan Service Corporation, CSX TRANSPORTATION, INC., a Virginia corporation ("Lessee") and THE BANK OF NEW YORK, a New York banking corporation, successor to Mercantile-Safe Deposit and Trust Company, not in its individual capacity but solely as Indenture Trustee ("Indenture Trustee").

WITNESSETH:

WHEREAS, Lessor, Lessee and Indenture Trustee have, with the other parties thereto, heretofore entered into a Participation Agreement No. 2 (the "Participation Agreement"), Lessor and Lessee have heretofore entered into a Lease Agreement No. 2 (the "Lease") dated as of September 1, 1990, and the Indenture Trustee and Owner Trustee have heretofore entered into an Indenture and Security Agreement No. 2 (the "Indenture"), each dated as of September 1, 1990 (capitalized terms used herein without definitions having the respective meanings set forth in Appendix X to the Lease);

WHEREAS, the Lease provides that Lessee may, in lieu of providing payment of Stipulated Loss Value for Railcars that have experienced an Event of Loss, provide Replacement Railcars, in accordance with the provisions of Section 11(c) of the Lease ;

WHEREAS, Lessee has advised Lessor and Indenture Trustee that certain Railcars have experienced an Event of Loss;

WHEREAS, Lessee has conveyed Replacement Railcars to Owner Trustee as substitutes for the casualtyed Railcars, and Owner Trustee has conveyed the casualtyed Railcars to Lessee, all in accordance with the provisions of Section 11(c) of the Lease;

WHEREAS, Lessee, Owner Trustee and Indenture Trustee desire to place such Replacement Railcars under the Lease and the lien of the Indenture and remove the casualtyed Railcars from the Lease and the lien of the Indenture; and

WHEREAS, the provisions of Sections 801(a) and 907(a) of the Indenture permit the Indenture and the Lease, respectively, to be supplemented as provided herein without the consent of any Holder;

NOW, THEREFORE, in consideration of the premises and for good and sufficient consideration, Lessor, Lessee and Indenture Trustee hereby agree as follows:

1. Lessee hereby represents, warrants and certifies to Owner Trustee and Indenture Trustee that (i) no Default described in Section 14(f) of the Lease or Event of Default has occurred and is continuing; (ii) with respect to each Substituted Railcar being delivered by Lessee to Lessor pursuant to Paragraph 3 hereof, Lessee is conveying title to such Substituted Railcar free and clear of all liens other than Permitted Encumbrances and such Substituted Railcar has a value, utility and useful life at least equal to, and is in as good operating condition as, the related Casualtied Railcar (with respect to which an Event of Loss occurred) being delivered by Lessor to Lessee pursuant to Paragraph 4 hereof, assuming such Casualtied Railcar was in the condition and repair required by the terms of the Lease immediately prior to the occurrence of such Event of Loss (other than the last sentence of Section 5 of the Lease), (iii) Lessee has not elected pursuant to Section 11(c) of the Lease to replace more than 10%, in the aggregate, of the original numbers of Railcars delivered on the original Closing Date; and (iv) Lessee has requested Lessor to allow Lessee to substitute the Substituted Railcars for the Casualtied Railcars under the Lease and the lien of the Indenture as provided herein.

2. Owner Trustee hereby certifies to Indenture Trustee that the undersigned, is a Responsible Officer of Owner Trustee, and that the execution and delivery of this Supplement is permitted by Section 907 of the Indenture.

3. Lessor and Lessee hereby acknowledge and confirm that the railcars listed on Schedule 1 hereto as Substituted Railcars (the "Substituted Railcars") have been conveyed by Lessee to Lessor on the date hereof. Lessor hereby delivers and leases to Lessee, and Lessee hereby accepts and leases from Lessor, under the Lease as hereby supplemented, and for all purposes of the Lease, the Substituted Railcars.

4. Lessor and Lessee hereby acknowledge and confirm that the Railcars listed on Schedule 1 hereto as Casualtied Railcars (the "Casualtied Railcars") have been conveyed to Lessee and are no longer subject to the Lease.

5. The Substituted Railcars and the Casualtied Railcars shall be deemed to have been delivered to and received by the relevant parties hereto in the Commonwealth of Kentucky.

6. Lessee and Lessor expect that the substitutions and transfers under or relating to this Supplement shall qualify as one or more tax deferred like-kind exchanges to the extent provided under section 1031 of the Code. Lessor and Lessee agree that Schedule No. 1 specifies the property that Lessor and Lessee are transferring to and receiving from each other, including the fair market value thereof, and that such description is intended, in part, to satisfy the identification requirement of section

1031(a)(3)(A) of the Code. All such exchanges have been completed on the date hereof. Neither Lessor nor Lessee shall be liable to the other for any loss of tax benefits if the Internal Revenue Service successfully challenges the parties' position that the substitutions and transfers referred to herein qualify as one or more tax deferred like-kind exchanges to the extent provided under section 1031 of the Code; provided, however, that Lessee agrees to indemnify Lessor to the extent (i) of any reasonable third-party costs to Lessor in defending any challenge by the Internal Revenue Service to such position, whether or not successful, and (ii) any such successful challenge imposes any incremental cost, by way of interest, penalties or otherwise, on Lessor greater than Lessor would have sustained, assuming Lessor had reported such substitutions and transfers on the date hereof as involuntary conversions under section 1033 of the Code and such position was not challenged.

7. In order to secure the prompt payment of the principal of and Premium, if any, and interest on the Notes, Lessor hereby grants, conveys, pledges, sells, mortgages, assigns, transfers and sets over a security interest unto Indenture Trustee in (i) the Substituted Railcars and (ii) this Supplement, in each case excluding Excepted Property and Excepted Rights, to have and to hold unto Indenture Trustee and its successors and its assigns for its and their own use and benefit forever.

8. Indenture Trustee hereby terminates the security interest in the Casualtied Railcars granted to it pursuant to Lease and Indenture Supplement No. 1 dated September 27, 1990 among Owner Trustee, Lessee and Mercantile-Safe Deposit and Trust Company, predecessor to Indenture Trustee.

9. This Supplement 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.

10. This Supplement is being delivered in the State of New York and shall in all respects be governed by, construed in accordance with, the laws of the State of New York, including all matters of construction, validity and performance.

**[Remainder of Page Intentionally Blank]**

IN WITNESS WHEREOF, Lessor, Lessee and Indenture Trustee have caused this Supplement 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: David A. Vanaskey, Jr.  
          Vice President

Lessee

CSX TRANSPORTATION, INC.

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Indenture Trustee

THE BANK OF NEW YORK,  
successor in interest to Mercantile-Safe  
Deposit and Trust Company, not in its  
individual capacity but solely as Indenture  
Trustee

By: \_\_\_\_\_  
Title: \_\_\_\_\_

IN WITNESS WHEREOF, Lessor, Lessee and Indenture Trustee have caused this Supplement 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: \_\_\_\_\_

Lessee

CSX TRANSPORTATION, INC.

By:   
Title: ~~Treasurer~~ CSXT

Indenture Trustee

THE BANK OF NEW YORK,  
successor in interest to Mercantile-Safe  
Deposit and Trust Company, not in its  
individual capacity but solely as Indenture  
Trustee

By: \_\_\_\_\_  
Title: \_\_\_\_\_

IN WITNESS WHEREOF, Lessor, Lessee and Indenture Trustee have caused this Supplement 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: \_\_\_\_\_

Lessee

CSX TRANSPORTATION, INC.

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Indenture Trustee

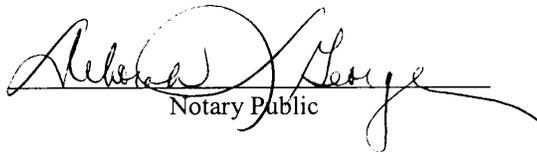
THE BANK OF NEW YORK,  
successor in interest to Mercantile-Safe  
Deposit and Trust Company, not in its  
individual capacity but solely as Indenture  
Trustee

By: *Sharon A. O'Brien*  
Title: *Agent*

State of Delaware )  
 : ss.:  
County of New Castle )

On this 16 day of MAY, 2001 before me, Deborah L. George,  
Notary Public, personally appeared DAVID A. VANASKEY, JR., personally known to  
me, or proved to me on the basis of satisfactory evidence, to be the person whose name is  
subscribed to the within instrument and acknowledged to me that he executed the same in  
his authorized capacity, and that by his signature on the instrument the person, or the  
entity upon behalf of which the person acted, executed the instrument.

Witness my hand and official seal.

  
Notary Public

My Commission Expires:  
[Notary Seal]  
DEBORAH L. GEORGE  
NOTARY PUBLIC  
STATE OF DELAWARE  
My Commission Expires November 21, 2001

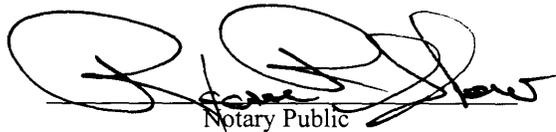


State of Florida )  
 )  
County of Duval )

On this 9<sup>th</sup> day of May, 2001 before me, Roxanne Shaw,  
Notary Public, personally appeared Sharon L. Atkinson, personally known to  
me, or proved to me on the basis of satisfactory evidence, to be the person whose name is  
subscribed to the within instrument and acknowledged to me that he executed the same in  
his authorized capacity, and that by his signature on the instrument the person, or the  
entity upon behalf of which the person acted, executed the instrument.

Witness my hand and official seal.



  
Notary Public

My Commission Expires: 3-5-05  
[Notary Seal]

Schedule 1  
Casualtied Railcars and Substituted Railcars  
Trust No. 2

Quantity of Units	CSX Casualty Car Number	Built Date	Rebuilt Date	Estimated Current FMV (Per Car)*	CSX Substitute Car Number	Built Date	Rebuilt Date	Estimated Current FMV (Per Car)*
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