

RECORDATION NO. 19113-6 FILED

AUG 26 '04 11-35 AM

SURFACE TRANSPORTATION BOARD

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

OF COUNSEL
URBAN A. LESTER

August 26, 2004

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Re: N1794

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are four (4) copies of Amendment Agreement No. 2, dated as of August 12, 2004, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the documents previously filed with the Commission/Board under Recordation Number 19113.

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

Lessee: Consolidated Rail Corporation
2001 Market Street
Philadelphia, PA 19103

Owner/
Trustee/Lessor: Wachovia Bank, National Association
One South Broad Street
Philadelphia, PA 19107-3519

Mr. Vernon A. Williams
August 26, 2004
Page Two

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

There is no new or additional equipment associated with this filing.

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

Amendment Agreement No. 2

Also enclosed is a check in the amount of \$30.00 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

Execution Copy

AMENDMENT AGREEMENT NO. 2

RECORDATION NO. 19113-6 FILED

in respect of

AUG 26 '04 11-35 AM

Pass Through Trust Certificates, Series 1994-A

SURFACE TRANSPORTATION BOARD

AMENDMENT AGREEMENT NO. 2 (this "Amendment Agreement") dated as of August 12, 2004 among CONSOLIDATED RAIL CORPORATION, a Pennsylvania corporation (the "Company"), MANUFACTURERS HANOVER LEASING INTERNATIONAL CORPORATION, a Delaware corporation (the "Owner Participant"), and WACHOVIA BANK, NATIONAL ASSOCIATION (successor in interest to Meridian Trust Company), not in its individual capacity but solely as lessor under the lease agreement and as owner trustee under the trust indenture and security agreement, each as referred to below (in both such capacities, the "Owner Trustee").

RECITALS

WHEREAS, the Company, the Owner Participant, the Owner Trustee, WILMINGTON TRUST COMPANY, a Delaware banking corporation, not in its individual capacity, but solely as trustee under the trust indenture and security agreement referred to below (the "Indenture Trustee"), and WILMINGTON TRUST COMPANY, a Delaware banking corporation, not in its individual capacity but solely as pass through trustee under the pass through trust agreement referred to below (the "Pass Through Trustee"), have entered into the Participation Agreement dated as of December 22, 1994 and as amended by the 1998 Debt Amendment Agreement (as defined below) (such Participation Agreement as so amended, the "Participation Agreement"), under which the Pass Through Certificates, Series 1994-A, of the Company (the "Certificates") were issued;

WHEREAS, the Owner Trustee as lessor and the Company as lessee have entered into the Lease Agreement dated as of December 22, 1994, as amended by lease agreements supplemental thereto and by the 1998 Equity Amendment Agreement (as defined below) (such Lease Agreement as so amended and supplemented, the "Lease Agreement");

WHEREAS, the Owner Trustee and the Indenture Trustee have entered into the Trust Indenture and Security Agreement dated as of December 22, 1994, as amended by trust indenture and security agreements supplemental thereto (such Trust Indenture and Security Agreement, as so amended and supplemented, the "Indenture");

WHEREAS, the Company and the Pass Through Trustee have entered into the Pass Through Trust Agreement dated as of December 22, 1994, as amended by pass through trust agreements supplemental thereto and the 1998 Debt Amendment Agreement (as defined below) (such Pass Through Trust Agreement, as so amended and supplemented, the "Pass Through Trust Agreement");

WHEREAS, the Company, the Owner Participant, the Owner Trustee, the Pass Through Trustee and the Indenture Trustee have entered into an amendment agreement dated as of August 25, 1998 (the "1998 Debt Amendment Agreement"), pursuant to which the Participation Agreement and the Pass Through Trust Agreement were amended to, among other

things, allow the conveyances, transfers, leases and subleases contemplated by the Transaction Agreement;

WHEREAS, the Company, the Owner Participant and the Owner Trustee have entered into an amendment agreement dated as of August 25, 1998 (the "1998 Equity Amendment Agreement"), pursuant to which the Lease Agreement was amended to, among other things, allow the conveyances, transfers, leases and subleases contemplated by the Transaction Agreement;

WHEREAS, the Company and the Owner Trustee, at the direction of the Owner Participant, wish to enter into this Amendment Agreement, pursuant to which the Participation Agreement and the Pass Through Trust Agreement will be amended to, among other things, allow the conveyances, transfers, leases and subleases contemplated by the Distribution Agreement; and

WHEREAS, the Company, the Pass Through Trustee and the Indenture Trustee, upon completion of the solicitation of the holders of the Certificates, expect to enter into a separate Amendment Agreement No. 2, pursuant to which the Participation Agreement and the Pass Through Trust Agreement will be similarly amended to, among other things, allow the conveyances, transfers, leases and subleases contemplated by the Distribution Agreement (the "Debt Amendment 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 Participation Agreement is hereby amended by deleting the following defined terms therefrom:

"Excluded Conveyance" and "Indebtedness".

SECTION 1.2. Appendix A to the Participation Agreement is hereby amended by adding thereto the following defined terms in their entirety as set forth below:

"Distribution Agreement" means the distribution agreement set forth as Exhibit 4 to the STB Petition, as the same may be amended, modified or supplemented from time to time, to be entered into among the Company, Conrail Inc., Green Acquisition Corp., CRR Holdings LLC, CSX Corporation, CSX Transportation, Inc., CSX Rail Holding Corporation, CSX Northeast Holding Corporation, New York Central Lines LLC, Norfolk Southern Corporation, Norfolk Southern Railway Company and Pennsylvania Lines LLC.

"Restructuring Transaction" means, whether by a single transaction or through a series of transactions, any conveyance, transfer, lease, sublease, full and unconditional

guarantee, transfer of stock, transfer of membership interests in a limited liability company, issuance of stock, merger or consolidation described in or contemplated by the Transaction Agreement, the Transaction Agreement Amendment or the Distribution Agreement, including but not limited to the transfer of the Lessee's ownership interest in (a) Pennsylvania Lines LLC to Norfolk Southern Railway Company and (b) New York Central Lines LLC to CSX Transportation, Inc.

“STB Petition” means the Petition for Supplemental Order dated June 4, 2003 (STB Finance Docket No. 33388 (SUB-No. 94)) filed by CSX Corporation, CSX Transportation, Inc., Norfolk Southern Corporation, Norfolk Southern Railway Company, Conrail Inc. and the Company with the United States Surface Transportation Board.

“Transaction Agreement Amendment” means the amendment to the Transaction Agreement set forth as Exhibit E to the Distribution Agreement, as the same may be amended, modified or supplemented from time to time, to be entered into by and among the Company, Conrail Inc., CSX Corporation, CSX Transportation, Inc., Norfolk Southern Corporation, Norfolk Southern Railway Company and CRR Holdings LLC.

SECTION 1.3. Section 11(d) of the Participation Agreement is hereby amended to read as follows:

“(d) Merger Covenant. Lessee shall not consolidate with or merge into any other Person or convey, transfer or lease substantially all its assets as an entirety to any Person unless (i) such consolidation, merger, conveyance, transfer or lease shall not have a material adverse effect on the benefits available to the Owner Trustee or the Indenture Trustee pursuant to 11 U.S.C. § 1168, (ii) immediately after giving effect to such transaction no Event of Default shall have occurred as a result of such consolidation or merger or such conveyance, transfer or lease and (iii) in the case of a conveyance, transfer or lease of substantially all of the assets of Lessee in accordance with this Section 11(d), such conveyance, transfer or lease shall include the interests of Lessee's leasehold interest in the Lease.”

SECTION 1.4. Section 11(f) of the Participation Agreement is hereby deleted in its entirety and amended to read as follows:

“Section 11(f). [‘Intentionally Omitted.’]”

SECTION 1.5. Section 1.01 of the Pass Through Trust Agreement is hereby amended by deleting the defined term “Excluded Conveyance” therefrom.

SECTION 1.6. Section 1.01 of the Pass Through Trust Agreement is hereby amended by adding thereto the following defined terms in their entirety as set forth below:

“Distribution Agreement” means the distribution agreement set forth as Exhibit 4 to the STB Petition, as the same may be amended, modified or supplemented from time to time, to be entered into among the Company, Conrail Inc., Green Acquisition Corp., CRR Holdings LLC, CSX Corporation, CSX Transportation, Inc., CSX Rail Holding

Corporation, CSX Northeast Holding Corporation, New York Central Lines LLC, Norfolk Southern Corporation, Norfolk Southern Railway Company and Pennsylvania Lines LLC.

“Restructuring Transaction” means, whether by a single transaction or through a series of transactions, any conveyance, transfer, lease, sublease, full and unconditional guarantee, transfer of stock, transfer of membership interests in a limited liability company, issuance of stock, merger or consolidation described in or contemplated by the Transaction Agreement, the Transaction Agreement Amendment or the Distribution Agreement, including but not limited to the transfer of the Lessee’s ownership interest in (a) Pennsylvania Lines LLC to Norfolk Southern Railway Company and (b) New York Central Lines LLC to CSX Transportation, Inc.

“STB Petition” means the Petition for Supplemental Order dated June 4, 2003 (STB Finance Docket No. 33388 (SUB-No. 94)) filed by CSX Corporation, CSX Transportation, Inc., Norfolk Southern Corporation, Norfolk Southern Railway Company, Conrail Inc. and the Company with the United States Surface Transportation Board.

“Transaction Agreement Amendment” means the amendment to the Transaction Agreement set forth as Exhibit E to the Distribution Agreement, as the same may be amended, modified or supplemented from time to time, to be entered into by and among the Company, Conrail Inc., CSX Corporation, CSX Transportation, Inc., Norfolk Southern Corporation, Norfolk Southern Railway Company and CRR Holdings LLC.

SECTION 1.7. Section 5.02 of the Pass Through Trust Agreement is hereby amended to read as follows:

“Section 5.02. Consolidation, Merger or Sale of Assets Permitted. [Intentionally Omitted.]”

ARTICLE II

MISCELLANEOUS

SECTION 2.1. Unless otherwise indicated, capitalized terms used herein without definition shall have the meanings ascribed to them in Appendix A to the Participation Agreement as amended hereby.

SECTION 2.2. Except as amended hereby, the Operative Documents are in all respects ratified and confirmed, and all of the terms, provisions and conditions thereof shall be and remain in full force and effect; provided that no such term, provision or condition shall be read or interpreted so as to conflict with or prohibit the making of any Restructuring Transaction.

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.

SECTION 2.5. The Owner Participant hereby authorizes and directs the Owner Trustee to execute and deliver this Amendment Agreement pursuant to the terms of the Indenture and the Lease Agreement.

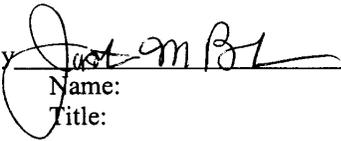
SECTION 2.6. This Amendment Agreement shall not be effective against the Owner Trustee unless and until executed by the Owner Participant.

SECTION 2.7. The provisions of this Amendment Agreement shall be effective only upon the execution hereof by all of the parties hereto and by the execution of the Debt Amendment Agreement by all of the parties thereto.

SECTION 2.8. 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 
Name:
Title:

MANUFACTURERS HANOVER LEASING
INTERNATIONAL CORPORATION

By _____
Name:
Title:

WACHOVIA BANK, NATIONAL
ASSOCIATION,
not in its individual capacity but solely
as Owner Trustee

By _____
Name:
Title:

STATE OF NY)
)
COUNTY OF NY) SS:

On this 24th day of August, 2004 before me, a notary public within and for said county, personally appeared Jonathan M. Broder, to me known who being duly sworn, did depose and say that he/she is a General Counsel of Consolidated Rail Corp. one of the corporations or companies described in and which executed the foregoing instrument, and that he/she signed his/her name thereto by like authority.

Sworn to before me this
24th day of August, 2004

[Notarial Seal]



Notary Public
COMMISSION EXPIRES

CYNTHIA ZAKARY
NOTARY PUBLIC, State of New York
No. 01ZA6064377
Qualified in New York County
Commission Expires Sept. 24, 2005

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:

MANUFACTURERS HANOVER LEASING
INTERNATIONAL CORPORATION

By  _____
Name: GARY TULLOCH
Title: VICE PRESIDENT
MANAGING DIRECTOR

WACHOVIA BANK, NATIONAL
ASSOCIATION,
not in its individual capacity but solely
as Owner Trustee

By _____
Name:
Title:

STATE OF Texas)

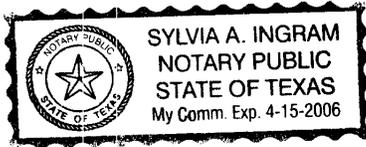
) ss:

COUNTY OF Harris)

On this 23rd day of March, 2004 before me, a notary public within and for said county, personally appeared Gary E. Tulloch, to me known who being duly sworn, did depose and say that he/she is a Vice President and Managing Director of Manufacturers Hanover Leasing International Corporation, one of the corporations or companies described in and which executed the foregoing instrument, and that he/she signed his/her name thereto by like authority.

Sworn to before me this
23rd day of March, 2004

[Notarial Seal]



Sylvia A. Ingram
Notary Public
COMMISSION EXPIRES

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:

MANUFACTURERS HANOVER LEASING
INTERNATIONAL CORPORATION

By _____
Name:
Title:

WACHOVIA BANK, NATIONAL
ASSOCIATION,
not in its individual capacity but solely
as Owner Trustee

By *C. Hromych*
Name: **C. HROMYCH**
Title: **Vice President**

STATE OF Pennsylvania)
COUNTY OF Philadelphia)

ss:

On this 2nd day of July, 2004 before me, a notary public within and for said county, personally appeared C. HROMYCH, to me known who being duly sworn did depose and say that ~~he~~ she is a Vice President of Wachovia Bank, National Association, one of the corporations or companies described in and which executed the foregoing instrument, and that ~~he~~ she signed ~~his~~ her name thereto by like authority.

Sworn to before me this
2nd day of July, 2004

[Notarial Seal]

Aida B. Dales-Payano
Notary Public

COMMISSION EXPIRES

NOTARIAL SEAL
AIDA B. DALES-PAYANO, Notary Public
City of Philadelphia, Phila. County
My Commission Expires November 21, 2006