

RECORDATION NO. 15596-N FILED

AUG 26 '04 12-16 PM

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: L586

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 15596.

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: U.S. Bank National Association  
One Federal Street  
Boston, MA 02110

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. 15596-N FILED

in respect of

AUG 26 '04 12-16 PM

1988 Equipment Trust Certificates, Series 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"), ORIX USA CORPORATION, a Delaware corporation (successor in interest to Orient Leasing USA Corporation) (the "Owner Participant"), and U.S. BANK NATIONAL ASSOCIATION, 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 (the "Equipment Trust Trustee"), have entered into Participation Agreement #1 dated as of April 1, 1988, as amended by participation agreements supplemental thereto and by the 1998 Debt Amendment Agreement (as defined below) (such Participation Agreement #1, as so supplemented and amended, being hereinafter referred to as 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 as amended by trust agreements supplemental thereto (such Trust Agreement #1, as so supplemented and amended, being hereinafter referred to as 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, as amended by lease agreements supplemental thereto and by the 1998 Equity Amendment Agreement (as defined below) (such Lease Agreement #1, as so supplemented and amended, being hereinafter referred to as 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 as amended by equipment trust agreements supplemental thereto (such Equipment Trust Agreement #1, as so supplemented and amended, being hereinafter referred to as the "Equipment Trust Agreement");

WHEREAS, the Company, the Owner Participant, the Owner Trustee and the Equipment Trust Trustee have entered into an amendment agreement dated as of August 25, 1998 (the "1998 Debt Amendment Agreement") pursuant to which the Participation Agreement was 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, the Owner Participant and the Owner Trustee, at the direction and with the consent of the Owner Participant, wish to enter into this Amendment Agreement, pursuant to which the Participation Agreement will be amended to, among other things, allow the conveyances, transfers, leases and subleases contemplated by the Distribution Agreement; and

WHEREAS, the Company and the Equipment Trust Trustee, upon completion of the solicitation of the holders of the Certificates, expect to enter into a separate Amendment Agreement No. 2, (the "Debt Amendment Agreement") pursuant to which the Participation Agreement will be similarly amended to, among other things, allow the conveyances, transfers, leases and subleases contemplated by the Distribution 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 Company'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” 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.

“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. The title to Section 7 of the Lease Agreement is hereby amended to read as follows:

“Maintenance; Operation; Possession; Identification Marks; Merger.”

SECTION 1.4. Section 7 of the Lease Agreement is hereby amended by adding the following:

“Section 7(f). Merger, Consolidation. Lessee shall not consolidate with or merge into any other corporation or convey, transfer or lease all or substantially all of its assets as an entirety to any Person, whether in a single transaction or a series of related transactions, unless:

- (i) the corporation formed by such consolidation or into which it is merged or the Person which acquires by conveyance, transfer or lease substantially all its assets as an entirety shall after such merger or consolidation be a Class I railroad or an Affiliate thereof and shall have executed and delivered to the Owner Participant and the Owner Trustee an agreement in form and substance satisfactory to each of them containing an assumption by such successor corporation of the due and punctual performance and observance of each agreement and condition of this Agreement and every other Operative Document to which Lessee is a party;

- (ii) no Event of Default or Potential Default shall occur and be continuing as a result of such merger or consolidation; and
- (iii) Lessee shall have delivered to the Owner Participant and the Owner Trustee an Officer's Certificate of Lessee and an opinion of Lessee's Senior Vice President-Law or other counsel satisfactory to each such party, each stating that such consolidation, merger, conveyance, transfer or lease and the assumption agreement mentioned in clause (i) above comply with this Section 7(f);

provided, however, that any Restructuring Transaction may be made without compliance with the foregoing clauses (i) through (iii).

Upon any consolidation or merger, or any conveyance, transfer or lease of substantially all the assets of Lessee as an entirety in accordance with clauses (i) through (iii) of this Section 7(f) other than a Restructuring Transaction, the successor corporation formed by such consolidation or into which Lessee is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, Lessee, under this Agreement and the other Operative Documents to which Lessee is a party with the same effect as if such successor corporation had been named as Lessee herein and therein."

SECTION 1.5. Section 11(d) of the Participation Agreement is hereby amended to read as follows:

"(d) Merger, Consolidation. Lessee shall not consolidate with or merge into any other corporation or convey, transfer or lease substantially all its assets as an entirety to any Person, whether in a single transaction or a series of related transactions, 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 Equipment Trust Trustee pursuant to 11 U.S.C. § 1168 and (ii) no Event of Default or Potential Default shall occur and be continuing as a result of such merger or consolidation."

SECTION 1.6. Section 11(f) of the Participation Agreement is hereby deleted in its entirety and amended to read as follows:

"Section 11(f). [‘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 Lease Agreement as amended hereby.

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. 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 2.4. 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 2.5. This Amendment Agreement shall be construed in accordance with and governed by the laws of the State of New York.

SECTION 2.6. The Owner Participant hereby authorizes and directs the Owner Trustee to execute and deliver this Amendment Agreement.

SECTION 2.7. This Amendment Agreement shall not be effective against the Owner Trustee unless and until executed by the Owner Participant.

SECTION 2.8. 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 2.9. 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:

ORIX USA CORPORATION

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

U.S. BANK NATIONAL ASSOCIATION,  
not in its individual capacity but solely as  
Owner Trustee

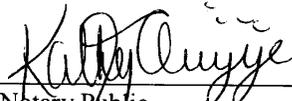
By \_\_\_\_\_  
Name:  
Title:

STATE OF New York )  
COUNTY OF New York ) ss:

On this 12<sup>th</sup> day of August, 2004 before me, a notary public within and for said county, personally appeared Jonathan M. Brada to me known who being duly sworn, did depose and say that he/she is a VP & General Counsel 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  
12<sup>th</sup> day of August, 2004

[Notarial Seal]

  
\_\_\_\_\_  
Notary Public  
COMMISSION EXPIRES  
KATHY QUIGGIE  
NOTARY PUBLIC, State of New York  
No. U01QU6069195  
Qualified in New York County  
Commission Expires Jan. 22, 2008

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 Sakai  
Title: Deputy President

U.S. BANK NATIONAL ASSOCIATION,  
not in its individual capacity but solely as  
Owner Trustee

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

STATE OF New York )  
 )  
 ) ss:  
COUNTY OF New York )

On this 23rd day of March 2004 before me, a notary public within and for said county, personally appeared Hiroyuki Sakai to me known who being duly sworn, did depose and say that he is a Deputy President of ORIX USA Corporation, one of the corporations or companies described in and which executed the foregoing instrument, and that he signed his name thereto by like authority.

Sworn to before me this  
23<sup>rd</sup> day of March 2004

[Notarial Seal]

  
Notary Public  
COMMISSION EXPIRES  
ANNABELL GONZALEZ  
Notary Public, State of New York  
No. 01GO6085257  
Qualified in Bronx County  
Commission Expires Dec. 23, 2006

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:

U.S. BANK NATIONAL ASSOCIATION,  
not in its individual capacity but solely as  
Owner Trustee

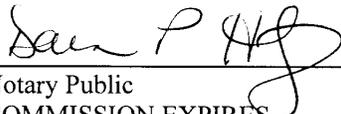
By  \_\_\_\_\_  
Name: Arthur L. Blakeslee  
Title: Vice President

STATE OF **Connecticut** )  
 )  
COUNTY OF **Hartford** ) ss:

On this 14<sup>th</sup> day of JULY, 2004 before me, a notary public within and for said county, personally appeared **Arthur L. Blakeslee** to me known who being duly sworn, did depose and say that he/she is a **Vice President** of US 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  
14<sup>th</sup> day of JULY, 2004

[Notarial Seal]

  
\_\_\_\_\_  
Notary Public  
COMMISSION EXPIRES  
DAWN P. HEINTZ  
NOTARY PUBLIC  
MY COMMISSION EXPIRES MAY 31, 2007