
**SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES ACT OF 1934

Date of Report (Date of earliest event reported):
September 7, 2004 (August 31, 2003)



NORFOLK SOUTHERN CORPORATION

(Exact name of registrant as specified in its charter)

Virginia
(State or other jurisdiction
Of incorporation)

1-8339
(Commission
File Number)

52-1188014
(IRS Employer
Identification No.)

Three Commercial Place
Norfolk, Virginia 23510-9241
(Address of principal executive offices)

(757) 629-2680
(Registrant's telephone number, including area code)

No Change
(Former name or former address, if changed since last report)

- Item 1.01 Entry into a Material Definitive Agreement
- Item 1.02 Termination of a Material Definitive Agreement
- Item 2.03 Creation of a Direct Financial Obligation of a Registrant

On August 31, 2004, the Registrant entered into an agreement, attached hereto as Exhibit 99, establishing a 5-year, \$1 billion, unsecured revolving credit facility (the "Agreement") under which the Registrant can borrow for general corporate purposes, including to support commercial paper debt. The other parties to the Agreement are JPMorgan Chase Bank, as Administrative Agent and as a Lender; Citibank, N.A., as Syndication Agent and as a Lender; Wachovia Bank, N.A., as a Documentation Agent and as a Lender; Barclay's Bank PLC, as a Documentation Agent and as a Lender; SunTrust Bank, as a Documentation Agent and as a Lender; and PNC Financial Corporation; Bank of Tokyo - Mitsubishi Trust Company; The Bank of New York; Sumitomo Mitsui Banking Corporation; Merrill Lynch Bank USA; Northern Trust Company; Bayerische Landesbank Girozentrale, Cayman Islands Branch; U.S. Bank; Deutsche Bank AG New York Branch; and UFJ Bank as Lenders that are signatories to the Agreement, as well as other parties that may become Lenders from time to time under the Agreement's provisions.

Interest rates under the facility vary based on the type of loan made and range from the Prime Rate of JPMorgan Chase Bank to incremental increases over LIBOR, with such increases based in some cases on the rating of the Registrant's unsecured long-term debt. The Agreement also has typical financial covenants, including covenants pertaining to the Registrant's consolidated net worth and related borrowing ratios, as well as limitations on other debt that may be incurred by the Registrant and its subsidiaries, all as more fully described in the attached Exhibit.

With respect to the other parties to the Agreement, the Registrant has or may have had customary banking relationships based on the provision of a variety of financial services, including pension fund, cash management, investment banking, and equipment financing and leasing services, none of which are material individually or in the aggregate with respect to any individual party.

No direct financial obligations of the Registrant have arisen under the Agreement as of the date hereof.

The Agreement replaces the Registrant's existing \$1 billion credit facility under an agreement dated as of October 4, 2001 (the "Prior Agreement"), that was terminated by the Registrant on August 31, 2004, in advance of its stated termination date without any early termination penalties being incurred by the Registrant. The other parties to the Prior Agreement as of August 31, 2004, were JPMorgan Chase Bank, as Administrative Agent and as a Lender; and Wachovia Bank, N.A.; Bank One, N.A.; The Bank of New York; Bank of Tokyo - Mitsubishi Trust Company; Bayerische Landesbank Girozentrale, Cayman Islands Branch; Comerica Bank; HSH Nordbank AG; Deutsche Bank AG New York Branch; Fleet Bank; Mellon Bank; Merrill Lynch Bank USA; Northern Trust Company; PNC Financial Corporation; U.S. Bank; and SunTrust Bank as Lenders.

The terms of the Prior Agreement are substantially and in all material respects similar to the terms of the Agreement.

With respect to the other parties to the Prior Agreement, the Registrant has or may have had customary banking relationships based on the provision of a variety of financial services, including pension fund, cash management, investment banking, and equipment financing and leasing services, none of which are material individually or in the aggregate with respect to any individual party.

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SIGNATURES

NORFOLK SOUTHERN CORPORATION

(Registrant)

/s/ Dezora M. Martin

Name: Dezora M. Martin
Title: Corporate Secretary

Date: September 7, 2004

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99	Credit Agreement dated as of August 31, 2004, establishing a 5-year, \$1 billion, unsecured revolving credit facility of the Registrant

\$1,000,000,000

CREDIT AGREEMENT

dated as of

August 31, 2004

among

Norfolk Southern Corporation,

The Lenders From Time to Time Parties Hereto,

JPMorgan Chase Bank,
as Administrative Agent

and

Citibank, N.A.,
as Syndication Agent

and

Barclays Bank, plc

SunTrust Bank

and

Wachovia National Bank, National Association

as Documentation Agents

J.P. Morgan Securities Inc.

and

Citigroup Global Markets Inc.,
as Joint Lead Arrangers and Joint Bookrunners

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Commitment Schedule

Pricing Grid

Exhibit A -	Note
Exhibit B-1 -	Opinion of Special Counsel for the Borrower
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Exhibit C -	Opinion of Special Counsel for the Administrative Agent
Exhibit D -	Assignment and Assumption Agreement
Exhibit E -	Money Market Quote Request
Exhibit F -	Invitation for Money Market Quotes
Exhibit G -	Money Market Quote
Exhibit H -	Closing Certificate

CREDIT AGREEMENT

CREDIT AGREEMENT ("Agreement") dated as of August 31, 2004, among NORFOLK SOUTHERN CORPORATION, the LENDERS from time to time parties hereto, JPMORGAN CHASE BANK, as Administrative Agent, CITIBANK, N.A., as Syndication Agent, and BARCLAYS BANK PLC, SUNTRUST BANK and WACHOVIA BANK, NATIONAL ASSOCIATION, as Documentation Agents.

The parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

SECTION 1.1. Definitions. The following terms, as used herein, have the following meanings:

"Absolute Rate Auction" means a solicitation of Money Market Quotes setting forth Money Market Absolute Rates pursuant to Section 2.3.

"Acquisition Sub" means CRR Holdings LLC, a Delaware limited liability company.

"Adjusted Consolidated Total Capital" means at any date the sum of (i) Consolidated Net Worth and (ii) Adjusted Consolidated Total Debt, in each case at such date.

"Adjusted Consolidated Total Debt" means at any date, without duplication, (i) the aggregate amount of Debt of the Borrower and its Consolidated Subsidiaries (including without limitation the aggregate amount of Debt of Conrail and any of its Subsidiaries which constitutes Debt of the Borrower or any of its Consolidated Subsidiaries pursuant to clause (viii) of the definition of Debt (any such Debt, "Guaranteed Conrail Debt")), determined on a consolidated basis as of such date plus (ii) (x) the aggregate amount of Debt of Conrail and its Consolidated Subsidiaries, determined on a consolidated basis as of such date minus the aggregate amount of Guaranteed Conrail Debt as of such date times (y) 58% minus (iii) prior to the Spin-Off, the aggregate amount of Debt of the Borrower and its Consolidated Subsidiaries owing to PRR, or any Subsidiary of PRR whose business consists solely of managing on behalf of PRR funds received from Borrower or its Consolidated Subsidiaries (including extending such Debt), as of such date.

"Administrative Agent" means JPMorgan in its capacity as Administrative Agent for the Lenders hereunder, and its successors in such capacity.

"Administrative Questionnaire" means, with respect to each Lender, an administrative questionnaire in the form prepared by the Administrative Agent and submitted to the Administrative Agent (with a copy to the Borrower) duly completed by such Lender.

"Affiliate" means, with respect to any Person (i) each Person (a "Controlling Person") that directly, or indirectly through one or more intermediaries, controls such Person or (ii) each Person (other than the Borrower or a Subsidiary) which is controlled by or is under common control with a Controlling Person. As used herein, the term "control" means the possession, directly or indirectly of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Agents" means the collective reference to the Administrative Agent, the Syndication Agent and the Documentation Agents.

"Applicable Lending Office" means, with respect to any Lender, (i) in the case of its Base Rate Loans, its Base Rate Lending Office, (ii) in the case of its Euro-Dollar Loans, its Euro-Dollar Lending Office and (iii) in the case of its Money Market Loans, its Money Market Lending Office.

"Applicable Margin" means, at any time, the applicable percentage rate per annum set forth in the Pricing Grid which is applicable at such time in accordance with the Pricing Grid.

"Arrangers" means J.P. Morgan Securities Inc. and Citigroup Global Markets Inc., each in its capacity as Joint Lead Arranger and Joint Bookrunner under this Agreement.

"Assignee" has the meaning set forth in Section 9.6(c).

"Base Rate" means, for any day, a rate per annum equal to the higher of (i) the Prime Rate for such day and (ii) the sum of 1/2 of 1% plus the Federal Funds Rate for such day.

"Base Rate Lending Office" means, as to each Lender, its office located at its address set forth in its Administrative Questionnaire (or identified in its Administrative Questionnaire as its Base Rate Lending Office) or such other office as such Lender may hereafter designate as its Base Rate Lending Office by notice to the Borrower and the Administrative Agent.

"Base Rate Loan" means a Committed Loan which bears interest at a rate per annum based upon the Base Rate pursuant to the applicable Notice of Borrowing or Notice of Interest Rate Election or the provisions of Section 2.6(d) or Article 8.

"Benefit Arrangement" means at any time an employee benefit plan within the meaning of Section 3(3) of ERISA which is not a Plan or a Multiemployer Plan and which is maintained or otherwise contributed to by the Borrower.

"Borrower" means Norfolk Southern Corporation, a Virginia corporation, its successors, and any Person with which the Borrower merges or consolidates, or to which it sells substantially all of its assets, in accordance with Section 5.9.

"Borrower's 2003 Form 10-K" means the Borrower's annual report on Form 10-K for 2003, as filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

"Borrowing" has the meaning set forth in Section 1.3.

"Closing Date" means the date on or after the Effective Date on which all of the conditions set forth in Section 3.1 shall have been

satisfied.

"Commitment" means: (i) with respect to each Lender listed on the signature pages hereof, the amount set forth opposite the name of such Lender in the Commitment Schedule, or (ii) with respect to each Assignee which becomes a Lender pursuant to Section 9.6(c), the amount of the Commitment thereby assumed by it, in each case as such amount may be reduced from time to time pursuant to Section 2.9 or increased or reduced by reason of an assignment to or by such Lender in accordance with Section 9.6(c).

"Commitment Schedule" means the Schedule attached hereto and identified as such.

"Committed Loan" means a loan made by a Lender pursuant to Section 2.1.

"Conduit Lender" means any special purpose corporation organized and administered by any Lender for the purpose of making Loans otherwise required to be made by such Lender and designated by such Lender in a written instrument; provided, that the designation by any Lender of a Conduit Lender shall not relieve the designating Lender of any of its obligations to fund a Loan under this Agreement if, for any reason, its Conduit Lender fails to fund any such Loan, and the designating Lender (and not the Conduit Lender) shall have the sole right and responsibility to deliver all consents and waivers required or requested under this Agreement with respect to its Conduit Lender, and provided, further, that no Conduit Lender shall (a) be entitled to receive any greater amount pursuant to Section 2.14, 8.3, 8.4, or 9.3 than the designating Lender would have been entitled to receive in respect of the extensions of credit made by such Conduit Lender or (b) be deemed to have any Commitment.

"Conrail" means Conrail Inc., a Pennsylvania corporation, and its successors.

"Consolidated Net Income" means, for any fiscal period, the net income of the Borrower and its Consolidated Subsidiaries, determined on a consolidated basis for such period.

"Consolidated Net Worth" means at any date the consolidated stockholders' equity of the Borrower and its Consolidated Subsidiaries as of such date.

"Consolidated Subsidiary" means at any date with respect to any Person, any Subsidiary or other entity the accounts of which would be consolidated with those of such Person in its consolidated financial statements if such statements were prepared as of such date. Unless otherwise specified, a "Consolidated Subsidiary" shall be a Consolidated Subsidiary of the Borrower.

"Continuing Director" has the meaning set forth in Section 6.1(l).

"CSX" means CSX Corporation, a Virginia corporation, and its successors.

"Debt" of any Person means at any date, without duplication, (i) all indebtedness of such Person for borrowed money, (ii) all indebtedness of such Person evidenced by bonds, debentures, notes, equipment trust certificates or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) all obligations of such Person as lessee which are capitalized in accordance with generally accepted accounting principles, (v) any obligation (whether fixed or contingent) to reimburse any bank or other Person in respect of amounts paid or payable under a standby letter of credit, (vi) any capital stock of such Person which is redeemable otherwise than at the sole option of such Person, (vii) all Debt of others secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such Person, and (viii) all Debt of others Guaranteed by such Person.

"Default" means any condition or event which constitutes an Event of Default or which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

"Derivatives Obligations" of any Person means all obligations of such Person in respect of any rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of the foregoing transactions) or any combination of the foregoing transactions.

"Documentation Agents" means the collective reference to Barclays Bank, plc, SunTrust Bank and Wachovia Bank, National Association.

"Domestic Business Day" means any day except a Saturday, Sunday or other day on which commercial banks in New York City are authorized by law to close.

"Effective Date" means the date this Agreement becomes effective in accordance with Section 9.8(b).

"Environmental Laws" means any and all federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions relating to the environment, to the effect of the environment on human health or to emissions, discharges or releases of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or wastes into the environment including, without limitation, ambient air, surface water, ground water, or land, or otherwise relating to the transport, manufacture, processing, distribution, use, treatment, storage, disposal or handling of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or wastes or the clean-up or other remediation thereof.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.

"ERISA Group" means the Borrower, any Consolidated Subsidiary and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower or any Consolidated Subsidiary, are treated as a single employer under Section 414 of the Internal Revenue Code.

"Euro-Dollar Business Day" means any Domestic Business Day on which commercial Lenders are open for international business (including dealings in dollar deposits) in London.

"Euro-Dollar Lending Office" means, as to each Lender, its office, branch or Affiliate located at its address set forth in its Administrative Questionnaire (or identified in its Administrative Questionnaire as its Euro-Dollar Lending Office) or such other office, branch or Affiliate of such

Lender as it may hereafter designate as its Euro-Dollar Lending Office by notice to the Borrower and the Administrative Agent.

"Euro-Dollar Loan" means a Committed Loan which bears interest at a Euro-Dollar Rate pursuant to the applicable Notice of Borrowing or Notice of Interest Rate Election.

"Euro-Dollar Rate" means a rate of interest determined pursuant to Section 2.6(b) on the basis of a London Interbank Offered Rate.

"Euro-Dollar Reference Lenders" means the principal London offices of Citibank, N.A. and JPMorgan.

"Euro-Dollar Reserve Percentage" has the meaning set forth in Section 2.7.

"Event of Default" has the meaning set forth in Section 6.1.

"Existing Credit Agreement" means the Credit Agreement dated as of October 4, 2001, among the Borrower, the banks parties thereto, and JPMorgan, as administrative agent for such banks, as in effect on the Closing Date.

"Facility Fee Rate" means, at any time, the applicable percentage rate per annum set forth in the Pricing Grid which is applicable at such time in accordance with the Pricing Grid.

"Federal Funds Rate" means, for any day, the rate per annum (rounded upward, if necessary, to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Domestic Business Day next succeeding such day, provided that (i) if such day is not a Domestic Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Domestic Business Day as so published on the next succeeding Domestic Business Day, and (ii) if no such rate is so published on such next succeeding Domestic Business Day, the Federal Funds Rate for such day shall be the average rate quoted to JPMorgan on such day on such transactions as determined by the Administrative Agent.

"Fixed Rate Loans" means Euro-Dollar Loans or Money Market Loans (excluding Euro-Dollar Loans and Money Market LIBOR Loans bearing interest at the Base Rate pursuant to Section 8.1) or any combination of the foregoing.

"Group of Loans" means at any time a group of Loans consisting of (i) all Loans which are Base Rate Loans at such time or (ii) all Loans which are Euro-Dollar Loans having the same Interest Period at such time, provided that, if a Loan of any particular Lender is converted to or made as a Base Rate Loan pursuant to Article 8, such Loan shall be included in the same Group or Groups of Loans from time to time as it would have been in if it had not been so converted or made.

"Guarantee" by any person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt (whether arising by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (ii) entered into for the purpose of assuring in any other manner the obligee of such Debt of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), provided that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"Indemnitee" has the meaning set forth in Section 9.3(b).

"Information Memorandum" means the Information Memorandum dated July 2004 furnished to the Lenders in connection with this Agreement.

"Interest Period" means: (1) with respect to each Euro-Dollar Loan, the period commencing on the date of borrowing specified in the applicable Notice of Borrowing or on the date specified in the applicable Notice of Interest Rate Election and ending one, two, three or six months (or, if available to all Lenders, nine or twelve months) thereafter, as the Borrower may elect in the applicable notice; provided that:

(a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Euro-Dollar Business Day;

(b) any Interest Period which begins on the last Euro-Dollar Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (c) below, end on the last Euro-Dollar Business Day of a calendar month; and

(c) no Interest Period shall extend beyond the Termination Date.

(2) with respect to each Money Market LIBOR Borrowing, the period commencing on the date of such Borrowing and ending such whole number of months thereafter as the Borrower may elect in accordance with Section 2.3; provided that:

(a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Euro-Dollar Business Day;

(b) any Interest Period which begins on the last Euro-Dollar Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (c) below, end on the last Euro-Dollar Business Day of a calendar month; and

(c) no Interest Period shall extend beyond the Termination Date.

(3) with respect to each Money Market Absolute Rate Borrowing, the period commencing on the date of such Borrowing and ending such number of days thereafter (but not less than 14 days) as the Borrower may elect in accordance with Section 2.3; provided that:

(a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day; and

(b) no Interest Period shall extend beyond the Termination Date.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended, or any successor statute.

"Investment" means any investment in any Person, whether by means of share purchase, capital contribution, loan, time deposit or otherwise.

"Invitation for Money Market Quotes" has the meaning set forth in Section 2.3(c).

"JPMorgan" means JPMorgan Chase Bank and its successors.

"Lender" means each financial institution listed on the signature pages hereof, each Assignee which becomes a Lender pursuant to Section 9.6(c), and their respective successors; provided, that unless the context otherwise requires, each reference herein to a Lender shall be deemed to include any Conduit Lender.

"Lender Affiliate" means (a) any Affiliate of any Lender, and (b) any Person that is administered or managed by any Lender or any Affiliate of any Lender or an entity or an Affiliate of an entity that administers or manages a Lender and that is engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"Leverage Ratio" means, at any date, the ratio (expressed as a percentage) of Adjusted Consolidated Total Debt to Adjusted Consolidated Total Capital, in each case at such date.

"LIBOR Auction" means a solicitation of Money Market Quotes setting forth Money Market Margins based on the London Interbank Offered Rate pursuant to Section 2.3.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever. For the purposes of this Agreement, the Borrower or any Subsidiary shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

"Loan" means a Base Rate Loan, a Euro-Dollar Loan or a Money Market Loan, and "Loans" means any combination of the foregoing, as the context may require; provided that, if any such Loan or Loans (or portions thereof) are combined or subdivided pursuant to a Notice of Interest Rate Election, the term "Loan" shall refer to the combined principal amount resulting from such combination or to each of the separate principal amounts resulting from such subdivision, as the case may be.

"Loan Documents" means this Agreement and any Notes delivered pursuant hereto.

"London Interbank Offered Rate" has the meaning set forth in Section 2.6(b).

"Margin Regulations" means Regulations T, U and X of the Board of Governors of the Federal Reserve System, as amended and in effect from time to time.

"Material Adverse Change" has the meaning specified in Section 4.4(c).

"Material Debt" means Debt (other than under the Loan Documents) of the Borrower and/or one or more of its Subsidiaries, arising in one or more related or unrelated transactions, in an aggregate principal amount exceeding \$80,000,000.

"Material Plan" means at any time a Plan or Plans having aggregate Unfunded Liabilities in excess of \$100,000,000.

"Money Market Absolute Rate" has the meaning set forth in Section 2.3(d).

"Money Market Absolute Rate Loan" means a loan to be made by a Lender pursuant to an Absolute Rate Auction.

"Money Market Lending Office" means, as to each Lender, its Base Rate Lending Office or such other office, branch or Affiliate of such Lender as it may hereafter designate as its Money Market Lending Office by notice to the Borrower and the Administrative Agent; provided that any Lender may from time to time by notice to the Borrower and the Administrative Agent designate separate Money Market Lending Offices for its Money Market LIBOR Loans, on the one hand, and its Money Market Absolute Rate Loans, on the other hand, in which case all references herein to the Money Market Lending Office of such Lender shall be deemed to refer to either or both of such offices, as the context may require.

"Money Market LIBOR Loan" means a loan to be made by a Lender pursuant to a LIBOR Auction (including such a loan bearing interest at the Base Rate pursuant to Section 8.1).

"Money Market Loan" means a Money Market LIBOR Loan or a Money Market Absolute Rate Loan.

"Money Market Margin" has the meaning set forth in Section 2.3(d).

"Money Market Quote" means an offer by a Lender to make a Money Market Loan in accordance with Section 2.3.

"Money Market Quote Request" has the meaning set forth in Section 2.3(b).

"Multiemployer Plan" means at any time an employee pension benefit plan within the meaning of Section 4001(a)(3) of ERISA to which any member of the ERISA Group is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions, including for these purposes any Person which ceased to be a member of the ERISA Group during such five-year period.

"Non-U.S. Lender" has the meaning set forth in Section 8.4(d).

"Notes" has the meaning set forth in Section 2.16(b).

"Notice of Borrowing" means a "Notice of Committed Borrowing" (as defined in Section 2.2) or a "Notice of Money Market Borrowing" (as defined in Section 2.3(f)).

"Notice of Interest Rate Election" has the meaning set forth in Section 2.10.

"NSRC" has the meaning set forth in Section 5.9(c).

"Other Taxes" has the meaning specified in Section 8.4.

"Parent" means, with respect to any Lender, any Person controlling such Lender.

"Participant" has the meaning set forth in Section 9.6(b).

"PBGC" means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Plan" means at any time an employee pension benefit plan (other than a Multiemployer Plan) which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Internal Revenue Code and either (i) is maintained, or contributed to, by any member of the ERISA Group for employees of any member of the ERISA Group or (ii) has at any time within the preceding five years been maintained, or contributed to, by any Person which was at such time a member of the ERISA Group for employees of any Person which was at such time a member of the ERISA Group.

"Pricing Grid" means the Grid attached hereto identified as such.

"Prime Rate" means the rate of interest publicly announced by JPMorgan in New York City from time to time as its Prime Rate.

"PRR" means Pennsylvania Lines LLC, a wholly-owned Subsidiary of Conrail which owns substantially all of the assets which are leased to NSRC as contemplated by the Transaction Agreement and, after the Spin-Off, a wholly-owned Subsidiary of the Borrower.

"Quarterly Dates" means each March 31, June 30, September 30 and December 31.

"Required Lenders" means at any time Lenders having at least 51% of the aggregate amount of the Commitments at such time (or, if the Commitments shall have terminated, Lenders having at least 51% of the aggregate principal amount of Loans outstanding at such time).

"Revolving Credit Period" means the period from and including the Closing Date to but not including the Termination Date.

"SEC" means the Securities and Exchange Commission or any successor thereto.

"Significant Subsidiary" means, at any time, (i) NSRC and (ii) each other Subsidiary (x) whose assets (or, in the case of a Subsidiary which has subsidiaries, consolidated assets) as shown on the latest financial statements delivered by the Borrower pursuant to Section 5.1(a) or (b), as the case may be, are (A) at least 5% of the consolidated assets of the Borrower and its Consolidated Subsidiaries (including for such purpose Conrail and its Subsidiaries, all as shown on such financial statements) at such time and (B) at least \$1,500,000,000 or (y) whose operating income (or, in the case of a Subsidiary which has subsidiaries, consolidated operating income) as shown on the latest financial statements delivered by the Borrower pursuant to Section 5.1(a) or (b), as the case may be, is (A) at least 5% of the consolidated operating income of the Borrower and its Consolidated Subsidiaries (including for such purpose Conrail and its Subsidiaries, all as shown on such financial statements) at such time and (B) at least \$150,000,000.

"Spin-Off" means the transfer by Conrail of all of the membership interests in PRR to the Borrower or a Subsidiary of the Borrower, as contemplated by the Transaction Agreement.

"Subsidiary" means, with respect to any Person, any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by such Person; unless otherwise specified, a "Subsidiary" means a Subsidiary of the Borrower.

"Syndication Agent" means Citibank, N.A. in its capacity as Syndication Agent hereunder, and its successors in such capacity.

"Taxes" has the meaning specified in Section 8.4.

"Termination Date" means August 31, 2009 (or, if such date is not a Euro-Dollar Business Day, the next preceding Euro-Dollar Business Day).

"Transaction Agreement" means the Transaction Agreement dated June 10, 1997 by and among the Borrower, CSX, Conrail, certain of their subsidiaries and Acquisition Sub, relating to the joint acquisition of Conrail, as may be amended pursuant to Section 5.13.

"Type" has the meaning set forth in Section 1.3.

"Unfunded Liabilities" means, with respect to any Plan at any time, the amount (if any) by which (i) the present value of all benefit liabilities under such Plan exceeds (ii) the fair market value of all Plan assets allocable to such benefit liabilities (excluding any accrued but unpaid contributions), but only to the extent that such excess represents a potential liability of a member of the ERISA Group to the PBGC or any other Person under Title IV of ERISA.

"United States" means the United States of America, including the States and the District of Columbia, but excluding its territories and possessions.

SECTION 1.2. Accounting Terms and Determinations. Unless otherwise specified herein, all accounting terms used herein shall be

interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with generally accepted accounting principles in the United States as in effect from time to time, applied on a basis consistent (except for changes concurred in by the Borrower's independent public accountants) with the then most recent audited consolidated financial statements of the Borrower and its Consolidated Subsidiaries delivered to the Lenders; provided that, if the Borrower notifies the Administrative Agent that the Borrower wishes to amend any covenant in Article 5 to eliminate the effect of any change in generally accepted accounting principles on the operation of such covenant (or if the Administrative Agent notifies the Borrower that the Required Lenders wish to amend Article 5 for such purpose), then the Borrower's compliance with such covenant shall be determined on the basis of generally accepted accounting principles in effect immediately before the relevant change in generally accepted accounting principles became effective, until either such notice is withdrawn or such covenant is amended in a manner satisfactory to the Borrower and the Required Lenders.

SECTION 1.3. Types of Loans and Borrowings. The term "Borrowing" denotes the aggregation of Loans of one or more Lenders to be made to the Borrower pursuant to Article 2 on the same date, all of which Loans are of the same Type (subject to Article 8) and, except in the case of Base Rate Loans, have the same initial Interest Period. The "Type" of a Loan refers to the determination whether such Loan is a Euro-Dollar Loan, a Base Rate Loan or a Money Market Loan, each of which constitutes a "Type".

ARTICLE 2

THE CREDIT

SECTION 2.1. Commitments to Lend. During the Revolving Credit Period, each Lender severally agrees, on the terms and conditions set forth in this Agreement, to make Loans to the Borrower from time to time in an aggregate amount at any time outstanding not to exceed the amount of its Commitment. Within the limits specified in this Agreement, the Borrower may borrow under this Section 2.1, prepay Loans to the extent permitted by Section 2.11 and reborrow at any time during the Revolving Credit Period pursuant to this Section 2.1. Each Borrowing under this Section 2.1 shall be in the aggregate principal amount of \$25,000,000 or any larger multiple of \$1,000,000 (except that any such Borrowing may be in the aggregate amount of the unused Commitments) and shall be made from the several Lenders ratably in proportion to their respective Commitments.

SECTION 2.2. Notice of Committed Borrowings. The Borrower shall give the Administrative Agent notice (a "Notice of Committed Borrowing") not later than 10:30 A.M. (New York City time) on (x) the date of each Base Rate Borrowing and (y) the third Euro-Dollar Business Day before each Euro-Dollar Borrowing, specifying:

- (a) the date of such Borrowing, which shall be a Domestic Business Day in the case of a Base Rate Borrowing or a Euro-Dollar Business Day in the case of a Euro-Dollar Borrowing,
- (b) the aggregate amount of such Borrowing,
- (c) the initial Type of Loans comprising such Borrowing; and
- (d) in the case of a Euro-Dollar Borrowing, the duration of the initial Interest Period applicable thereto, subject to the provisions of the definition of Interest Period.

SECTION 2.3. Money Market Borrowings.

(a) The Money Market Option. In addition to Committed Borrowings pursuant to Section 2.1, but within the limitations of the Commitments as contemplated by Section 3.2(b), the Borrower may, as set forth in this Section, request (but is not obligated to request) the Lenders from time to time prior to the Termination Date to make offers to make Money Market Loans to the Borrower. The Lenders may make, but shall have no obligation to make, such offers and the Borrower may accept, but shall have no obligation to accept, any such offers in the manner set forth in this Section.

(b) Money Market Quote Request. When the Borrower wishes to request offers to make Money Market Loans under this Section, it shall transmit to the Administrative Agent by telex or facsimile transmission a Money Market Quote Request substantially in the form of Exhibit E hereto (a "Money Market Quote Request") so as to be received no later than 10:30 A.M. (New York City time) on (x) the fifth Euro-Dollar Business Day prior to the date of Borrowing proposed therein, in the case of a LIBOR Auction or (y) the Domestic Business Day next preceding the date of Borrowing proposed therein, in the case of an Absolute Rate Auction (or, in either case, such other time or date as the Borrower and the Administrative Agent shall have mutually agreed and shall have notified to the Lenders not later than the date of the Money Market Quote Request for the first LIBOR Auction or Absolute Rate Auction for which such change is to be effective) specifying:

- (i) the proposed date of Borrowing, which shall be a Euro-Dollar Business Day in the case of a LIBOR Auction or a Domestic Business Day in the case of an Absolute Rate Auction,
- (ii) the proposed aggregate amount of such Borrowing, which shall be \$25,000,000 or a larger multiple of \$1,000,000,
- (iii) the duration of the Interest Period applicable thereto, subject to the provisions of the definition of Interest Period, and
- (iv) whether the Money Market Quotes requested are to set forth a Money Market Margin or a Money Market Absolute Rate. The Borrower may request (but is not obligated to request) offers to make Money Market Loans for more than one Interest Period in a single Money Market Quote Request. No Money Market Quote Request shall be given within five Euro-Dollar Business Days (or such other number of days as the Borrower and the Administrative Agent may agree) of any other Money Market Quote Request.

(c) Invitation for Money Market Quotes. Promptly upon receipt of a Money Market Quote Request, the Administrative Agent shall send to the Lenders by telex or facsimile transmission an Invitation for Money Market Quotes substantially in the form of Exhibit F hereto (an "Invitation for Money Market Quotes"), which shall constitute an invitation by the Borrower to each Lender to submit Money Market Quotes offering to make the Money Market Loans to which such Money Market Quote Request relates in accordance with this Section.

(d) Submission and Contents of Money Market Quotes. (i) Each Lender may submit a Money Market Quote containing an offer or offers to make Money Market Loans in response to any Invitation for Money Market Quotes. Each Money Market Quote must comply with the requirements of this subsection (d) and must be submitted to the Administrative Agent by tele or facsimile transmission at its offices specified in or pursuant to Section 9.1 not later than (x) 2:00 P.M. (New York City time) on the fourth Euro-Dollar Business Day prior to the proposed date of Borrowing, in the case of a LIBOR Auction or (y) 9:30 A.M. (New York City time) on the proposed date of Borrowing, in the case of an Absolute Rate Auction (or, in either case, such other time or date as the Borrower and the Administrative Agent shall have mutually agreed and shall have notified to the Lenders not later than the date of the Money Market Quote Request for the first LIBOR Auction or Absolute Rate Auction for which such change is to be effective); provided that Money Market Quotes submitted by the Administrative Agent (or any Affiliate of the Administrative Agent) in the capacity of a Lender may be submitted, and may only be submitted, if the Administrative Agent or such Affiliate notifies the Borrower of the terms of the offer or offers contained therein not later than (x) one hour prior to the deadline for the other Lenders, in the case of a LIBOR Auction or (y) 15 minutes prior to the deadline for the other Lenders, in the case of an Absolute Rate Auction. Subject to Articles 3 and 6, any Money Market Quote so made shall be irrevocable except with the written consent of the Administrative Agent given on the instructions of the Borrower.

(ii) Each Money Market Quote shall be in substantially the form of Exhibit G hereto and shall in any case specify:

(A) the proposed date of Borrowing,

(B) the principal amount of the Money Market Loan for which each such offer is being made, which principal amount (w) may be greater than or less than the Commitment of the quoting Lender, (x) must be \$5,000,000 or a larger multiple of \$1,000,000, (y) may not exceed the principal amount of Money Market Loans for which offers were requested and (z) may be subject to an aggregate limitation as to the principal amount of Money Market Loans for which offers being made by such quoting Lender may be accepted,

(C) in the case of a LIBOR Auction, the margin above or below the applicable London Interbank Offered Rate (the "Money Market Margin") offered for each such Money Market Loan, expressed as a percentage (specified to the nearest 1/10,000th of 1%) to be added to or subtracted from such base rate,

(D) in the case of an Absolute Rate Auction, the rate of interest per annum (specified to the nearest 1/10,000th of 1%) (the "Money Market Absolute Rate") offered for each such Money Market Loan, and

(E) the identity of the quoting Lender.

A Money Market Quote may set forth up to five separate offers by the quoting Lender with respect to each Interest Period specified in the related Invitation for Money Market Quotes.

(iii) Any Money Market Quote shall be disregarded if it:

(A) is not substantially in conformity with Exhibit G hereto or does not specify all of the information required by subsection (d)(ii);

(B) contains qualifying, conditional or similar language;

(C) proposes terms other than or in addition to those set forth in the applicable Invitation for Money Market Quotes; or

(D) arrives after the time set forth in subsection (d)(i).

(e) Notice to Borrower. The Administrative Agent shall promptly notify the Borrower of the terms (x) of any Money Market Quote submitted by a Lender that is in accordance with subsection (d) and (y) of any Money Market Quote that amends, modifies or is otherwise inconsistent with a previous Money Market Quote submitted by such Lender with respect to the same Money Market Quote Request. Any such subsequent Money Market Quote shall be disregarded by the Administrative Agent unless such subsequent Money Market Quote is submitted solely to correct a manifest error in such former Money Market Quote. The Administrative Agent's notice to the Borrower shall specify (A) the aggregate principal amount of Money Market Loans for which offers have been received for each Interest Period specified in the related Money Market Quote Request, (B) the respective principal amounts and Money Market Margins or Money Market Absolute Rates, as the case may be, so offered and (C) if applicable, limitations on the aggregate principal amount of Money Market Loans for which offers in any single Money Market Quote may be accepted.

(f) Acceptance and Notice by Borrower. Not later than 10:30 A.M. (New York City time) on (x) the third Euro-Dollar Business Day prior to the proposed date of Borrowing, in the case of a LIBOR Auction or (y) the proposed date of Borrowing, in the case of an Absolute Rate Auction (or, in either case, such other time or date as the Borrower and the Administrative Agent shall have mutually agreed and shall have notified to the Lenders not later than the date of the Money Market Quote Request for the first LIBOR Auction or Absolute Rate Auction for which such change is to be effective), the Borrower shall notify the Administrative Agent of its acceptance or non-acceptance of the offers so notified to it pursuant to subsection (e). In the case of acceptance, such notice (a "Notice of Money Market Borrowing") shall specify the aggregate principal amount of offers for each Interest Period that are accepted. The Borrower may accept any Money Market Quote in whole or in part; provided that:

(i) the aggregate principal amount of each Money Market Borrowing may not exceed the applicable amount set forth in the related Money Market Quote Request,

(ii) (ii) the aggregate principal amount of each Money Market Borrowing must be \$25,000,000 or a larger multiple of \$1,000,000,

(iii) acceptance of offers may only be made on the basis of ascending Money Market Margins or Money Market Absolute Rates, as the case may be, and

(iv) the Borrower may not accept any offer that is described in subsection (d)(iii) or that otherwise fails to comply with the requirements of this Agreement.

(g) Allocation by Administrative Agent. If offers are made by two or more Lenders with the same Money Market Margins or Money Market Absolute Rates, as the case may be, for a greater aggregate principal amount than the amount in respect of which such offers are accepted for the related Interest Period, the principal amount of Money Market Loans in respect of which such offers are accepted shall be allocated by the Administrative Agent among such Lenders as nearly as possible (in such multiples, not greater than \$1,000,000, as the Administrative Agent may deem appropriate) in proportion to the aggregate principal amounts of such offers. Determinations by the Administrative Agent of the amounts of Money Market Loans shall be conclusive in the absence of manifest error.

SECTION 2.4. Notice to Lenders; Funding of Loans.

(a) Upon receipt of a Notice of Borrowing, the Administrative Agent shall promptly notify each Lender participating therein of the contents thereof and of such Lender's share (if any) of such Borrowing and such Notice of Borrowing shall not thereafter be revocable by the Borrower.

(b) Not later than 12:00 Noon (New York City time) on the date of each Borrowing, each Lender participating therein shall make available its share of such Borrowing, in Federal or other funds immediately available in New York City, to the Administrative Agent at its address specified in or pursuant to Section 9.1. Unless the Administrative Agent determines that any applicable condition specified in Article 3 has not been satisfied, the Administrative Agent will make the funds so received from the Lenders available to the Borrower at the Administrative Agent's aforesaid address.

(c) Unless the Administrative Agent shall have received notice from a Lender prior to the date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available to the Administrative Agent on the date of such Borrowing in accordance with subsection (b) of this Section 2.4 and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such share available to the Administrative Agent, such Lender and the Borrower severally agree to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Administrative Agent, at (i) in the case of the Borrower, a rate per annum equal to the higher of the Federal Funds Rate and the interest rate applicable thereto pursuant to Section 2.6 and (ii) in the case of such Lender, the Federal Funds Rate. If such Lender shall repay to the Administrative Agent such corresponding amount, such amount so repaid shall constitute such Lender's Loan included in such Borrowing for purposes of this Agreement.

SECTION 2.5. Maturity of Loans. (a) Each Committed Loan shall mature, and the principal amount thereof shall be payable in full together with accrued interest thereon, on the Termination Date.

(b) Each Money Market Loan included in any Money Market Borrowing shall mature, and the principal amount thereof shall be payable in full together with accrued interest thereon, on the last day of the Interest Period applicable to such Borrowing.

SECTION 2.6. Interest Rates. (a) Each Base Rate Loan shall bear interest on the outstanding principal amount thereof, for each day from the day such Loan is made to but excluding the day it becomes due, at a rate per annum equal to the Base Rate for such day. Such interest shall be payable at maturity, quarterly in arrears on each Quarterly Date prior to maturity and, with respect to the principal amount of any Base Rate Loan converted to a Fixed Rate Loan, on the date such Loan is so converted. Any overdue principal of or interest on any Base Rate Loan shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the sum of 2% plus the Base Rate for such day.

(b) Each Euro-Dollar Loan shall bear interest on the outstanding principal amount thereof, for each day during each Interest Period applicable thereto, at a rate per annum equal to the sum of the Applicable Margin for such day plus the London Interbank Offered Rate applicable to such Interest Period. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than three months, at intervals of three months after the first day thereof. The "London Interbank Offered Rate" applicable to any Interest Period means the rate per annum determined on the basis of the rate for deposits in U.S. dollars for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on Page 3750 of the Telerate screen as of 11:00 A.M. (London time) two Euro-Dollar Business Days prior to the beginning of such Interest Period. In the event that such rate does not appear on Page 3750 of the Telerate screen (or otherwise on such screen), the London Interbank Offered Rate shall be determined by reference to such other comparable publicly available service for displaying eurodollar rates as may be selected by the Euro-Dollar Reference Lenders or, in the absence of such availability, by reference to the average (rounded upward, if necessary, to the next higher 1/16 of 1%) of the respective rates per annum at which deposits in U.S. dollars are offered to each of the Euro-Dollar Reference Lenders in the London interbank market at approximately 11:00 A.M. (London time) two Euro-Dollar Business Days before the first day of such Interest Period in an amount approximately equal to the principal amount of the Euro-Dollar Loan of such Euro-Dollar Reference Lender to which such Interest Period is to apply and for a period of time comparable to such Interest Period.

(c) Any overdue principal of or interest on any Euro-Dollar Loan shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the higher of (i) the sum of 2% plus the Applicable Margin for such day plus the London Interbank Offered Rate applicable to such Loan on the day before such payment was due and (ii) the sum of 2% plus the Applicable Margin for such day plus a rate per annum equal to the average (rounded upward, if necessary, to the next higher 1/16 of 1%) of the respective rates per annum at which one day (or, if such amount due remains unpaid more than three Euro-Dollar Business Days, then for such other period of time not longer than three months as the Administrative Agent may select) deposits in dollars in an amount approximately equal to such overdue payment due to each of the Euro-Dollar Reference Lenders are offered to such Euro-Dollar Reference Lender in the London interbank market for the applicable period (or, if the circumstances described in clause (a) or (b) of Section 8.1 shall exist, at a rate per annum equal to the sum of 2% plus the Base Rate for such day).

(d) Subject to Section 8.1, each Money Market LIBOR Loan shall bear interest on the outstanding principal amount thereof, for the Interest Period applicable thereto, at a rate per annum equal to the sum of the London Interbank Offered Rate for such Interest Period (determined in accordance with Section 2.6(b) as if the related Money Market LIBOR Borrowing were a Euro-Dollar Borrowing) plus (or minus) the Money Market Margin quoted by the Lender making such Loan in accordance with Section 2.3. Each Money Market Absolute Rate Loan shall bear interest on the outstanding principal amount thereof, for the Interest Period applicable thereto, at a rate per annum equal to the Money Market Absolute Rate quoted by the Lender making such Loan in accordance with Section 2.3. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than three months, at intervals of three months after the first day thereof. Any overdue principal of or interest on any Money Market Loan shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the

sum of 2% plus the Base Rate for such day.

(e) The Administrative Agent shall determine each interest rate applicable to the Loans hereunder. The Administrative Agent shall give prompt notice to the Borrower and the participating Lenders of each rate of interest so determined, and its determination thereof shall be conclusive in the absence of manifest error.

(f) Each Euro-Dollar Reference Lender agrees to use its best efforts to furnish quotations to the Administrative Agent as contemplated by this Section. If any Euro-Dollar Reference Lender does not furnish a timely quotation, the Administrative Agent shall determine the relevant interest rate on the basis of the quotation or quotations furnished by the remaining Euro-Dollar Reference Lender or Lenders or, if none of such quotations is available on a timely basis, the provisions of Section 8.1 shall apply.

SECTION 2.7. Regulation D Compensation. Each Lender may require the Borrower to pay, contemporaneously with each payment of interest on the Euro-Dollar Loans, additional interest on the related Euro-Dollar Loan of such Lender at a rate per annum determined by such Lender up to but not exceeding the excess of (i) (A) the applicable London Interbank Offered Rate divided by (B) one minus the Euro-Dollar Reserve Percentage over (ii) the applicable London Interbank Offered Rate. Any Lender wishing to require payment of such additional interest (x) shall so notify the Borrower and the Administrative Agent, in which case such additional interest on the Euro-Dollar Loans of such Lender shall be payable to such Lender at the place indicated in such notice with respect to each Interest Period commencing at least three Euro-Dollar Business Days after the giving of such notice and (y) shall notify the Borrower at least five Euro-Dollar Business Days prior to each date on which interest is payable on the Euro-Dollar Loans of the amount then due it under this Section.

"Euro-Dollar Reserve Percentage" means for any day that percentage (expressed as a decimal) which is in effect on such day, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement for a member bank of the Federal Reserve System in New York City with deposits exceeding five billion dollars in respect of "Eurocurrency liabilities" (or in respect of any other category of liabilities which includes deposits by reference to which the interest rate on Euro-Dollar Loans is determined or any category of extensions of credit or other assets which includes loans by a non-United States office of any Lender to United States residents). The compensation payable pursuant to this Section shall be adjusted automatically on and as of the effective date of any change in the Euro-Dollar Reserve Percentage.

SECTION 2.8. Facility Fees. The Borrower shall pay to the Administrative Agent a facility fee calculated for each day at the Facility Fee Rate for such day (determined in accordance with the Pricing Grid). Such facility fee shall accrue for each day (i) from and including the Effective Date to but excluding the date on which the Commitments terminate in their entirety, on the aggregate amount of the Commitments (whether used or unused) then in effect and (ii) from and including such date of termination to but excluding the date on which no Loans are outstanding, on the aggregate outstanding principal amount of the Loans on such day. Such facility fee shall be allocated among the Lenders ratably in proportion to their Commitments; provided that any facility fee accruing after the Commitments terminate in their entirety shall be allocated among the Lenders ratably in proportion to the unpaid principal amounts of their respective Loans. Accrued fees under this Section shall be payable quarterly in arrears on each Quarterly Date and on the Termination Date; provided that fees accruing after the Termination Date shall be payable on demand.

SECTION 2.9. Optional Termination or Reduction of Commitments. The Borrower may, upon at least three Domestic Business Days' notice to the Administrative Agent, (i) terminate the Commitments at any time, if no Loans are outstanding at such time (after giving effect to any optional prepayments to be made at such time) or (ii) ratably reduce from time to time by an aggregate amount of \$25,000,000 or a larger multiple of \$1,000,000, the aggregate amount of the Commitments in excess of the aggregate outstanding amount of the Loans.

SECTION 2.10. Method of Electing Interest Rates. (a) The Committed Loans included in each Borrowing shall bear interest initially at the type of rate specified by the Borrower in the applicable Notice of Borrowing. Thereafter, the Borrower may from time to time elect to change or continue the type of interest rate borne by each Group of Loans (subject in each case to the provisions of Article 8 and the last sentence of this subsection (a)), as follows:

(i) if such Loans are Base Rate Loans, the Borrower may elect to convert such Loans to Euro-Dollar Loans as of any Euro-Dollar Business Day; and

(ii) if such Loans are Euro-Dollar Loans, the Borrower may elect to convert such Loans to Base Rate Loans or elect to continue such Loans as Euro-Dollar Loans for an additional Interest Period, in either case effective on the last day of the then current Interest Period applicable to such Loans.

Each such election shall be made by delivering a notice (a "Notice of Interest Rate Election") to the Administrative Agent not later than 10:30 A.M. (New York City time) on the third Euro-Dollar Business Day before the conversion or continuation selected in such notice is to be effective. A Notice of Interest Rate Election may, if it so specifies, apply to only a portion of the aggregate principal amount of the relevant Group of Loans; provided that (i) such portion is allocated ratably among the Loans comprising such Group and (ii) the portion to which such Notice applies, and the remaining portion to which it does not apply, are each \$25,000,000 or any larger multiple of \$1,000,000. If no such notice is timely received prior to the end of an Interest Period, the Borrower shall be deemed to have elected that all Loans having such Interest Period be converted to Base Rate Loans. Notwithstanding the foregoing, the Borrower may not elect to convert any Loan to, or continue any Loan as, a Fixed Rate Loan pursuant to any Notice of Interest Rate Election if at the time such notice is delivered a Default shall have occurred and be continuing.

(b) Each Notice of Interest Rate Election shall specify:

(i) the Group of Loans (or portion thereof) to which such notice applies;

(ii) the date on which the conversion or continuation selected in such notice is to be effective, which shall comply with the applicable clause of subsection (a) above;

(iii) if the Loans comprising such Group are to be converted, the new Type of Loans and, if the Loans being converted are to be Fixed Rate Loans, the duration of the next succeeding Interest Period applicable thereto; and

(iv) if such Loans are to be continued as Fixed Rate Loans for an additional Interest Period, the duration of such additional Interest Period. Each Interest Period specified in a Notice of Interest Rate Election shall comply with the provisions of the definition of Interest Period.

(c) Upon receipt of a Notice of Interest Rate Election from the Borrower pursuant to subsection (a) above, the Administrative Agent shall promptly notify each Lender of the contents thereof and such notice shall not thereafter be revocable by the Borrower.

(d) An election by the Borrower to change or continue the rate of interest applicable to any Group of Loans pursuant to this Section shall not constitute a Borrowing subject to the provisions of Section 3.2.

SECTION 2.11. Optional Prepayments. (a) The Borrower may, (i) upon at least one Domestic Business Day's notice to the Administrative Agent, prepay the Group of Base Rate Loans (or any Money Market Borrowing bearing interest at the Base Rate pursuant to Section 8.1) or (ii) upon at least, in the case of Euro-Dollar Loans, three Euro-Dollar Business Days' notice to the Administrative Agent, and subject to Section 2.14, prepay any Group of Euro-Dollar Loans, in each case in whole at any time, or from time to time in part in amounts aggregating \$25,000,000 or any larger multiple of \$1,000,000, by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment. Each such optional prepayment of a Group of Loans shall be applied to prepay ratably the Loans of the Lenders included in such Group.

(b) Except as provided in subsection (a) of this Section 2.11, the Borrower may not prepay all or any portion of the principal amount of any Money Market Loan prior to the maturity thereof without the consent of the Lender holding such Loan.

(c) Upon receipt of a notice of prepayment pursuant to this Section, the Administrative Agent shall promptly notify each Lender of the contents thereof and of such Lender's ratable share (if any) of such prepayment and such notice shall not thereafter be revocable by the Borrower.

SECTION 2.12. Scheduled Termination of Commitments. The Commitments shall terminate on the Termination Date.

SECTION 2.13. General Provisions as to Payments. (a) The Borrower shall make each payment of principal of, and interest on, the Loans and of fees hereunder, without setoff or counterclaim and not later than 12:00 Noon (New York City time) on the date when due, in Federal or other funds immediately available in New York City, to the Administrative Agent at its address referred to in Section 9.1. The Administrative Agent will promptly distribute to each Lender, for the account of its Applicable Lending Office, its ratable share of each such payment received by the Administrative Agent for the account of the Lenders. Whenever any payment of principal of, or interest on, the Base Rate Loans or of fees shall be due on a day which is not a Domestic Business Day, the date for payment thereof shall be extended to the next succeeding Domestic Business Day. Whenever any payment of principal of, or interest on, the Euro-Dollar Loans shall be due on a day which is not a Euro-Dollar Business Day, the date for payment thereof shall be extended to the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case the date for payment thereof shall be the next preceding Euro-Dollar Business Day. Whenever any payment of principal of, or interest on, the Money Market Loans shall be due on a day which is not a Euro-Dollar Business Day, the date for payment thereof shall be extended to the next succeeding Euro-Dollar Business Day, unless such Euro-Dollar Business Day falls in another calendar month, in which case the date for payment thereof shall be the next preceding Euro-Dollar Business Day. If the date for any payment of principal is extended by operation of law or otherwise, interest thereon shall be payable for such extended time.

(b) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Lenders hereunder that the Borrower will not make such payment in full, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent that the Borrower shall not have so made such payment, each Lender shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent, at the Federal Funds Rate.

SECTION 2.14. Funding Losses. If the Borrower makes any payment of principal with respect to any Fixed Rate Loan or any Fixed Rate Loan is converted (pursuant to Article 6 or 8 or otherwise) on any day other than the last day of the Interest Period applicable thereto, or if the Borrower fails to borrow, prepay, convert or continue any Fixed Rate Loans after notice has been given to any Lender in accordance with Section 2.4(a), 2.10(c) or 2.11(c), the Borrower shall reimburse each Lender within 15 days after demand for any resulting loss or expense incurred by it (or by an existing or prospective Participant in the related Loan), including (without limitation) any loss incurred in obtaining, liquidating or employing deposits from third parties, but excluding loss of margin for the period after any such payment or failure to borrow, provided that such Lender shall have delivered to the Borrower a certificate as to the amount of such loss or expense indicating in reasonable detail the computation thereof, which certificate shall be conclusive in the absence of manifest error.

SECTION 2.15. Computation of Interest and Fees. Interest based on the Prime Rate hereunder shall be computed on the basis of a year of 365 days (or 366 days in a leap year) and paid for the actual number of days elapsed (including the first day but excluding the last day). All other interest and fees shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed (including the first day but excluding the last day).

SECTION 2.16. Registry. (a) The Administrative Agent shall maintain a register (the "Register") on which it will record the Commitment of each Lender, each Loan made by such Lender and each repayment of any Loan made by such Lender. Any such recordation by the Administrative Agent on the Register shall be conclusive, absent manifest error. With respect to any Lender, the assignment or other transfer of the Commitment of such Lender and the rights to the principal of, and interest on, any Loan made and Note issued pursuant to this Agreement shall not be effective until such assignment or other transfer is recorded on the Register and otherwise complies with Section 9.6(c). The registration of assignment or other transfer of all or part of the Commitment, Loans and Notes for a Lender shall be recorded by the Administrative Agent on the Register only upon the acceptance by the Administrative Agent of a properly executed and delivered Assignment and Assumption Agreement referred to in Section 9.6(c). The Register shall be available at the offices where kept by the Administrative Agent for inspection by the Borrower and any Lender at any reasonable time upon reasonable prior notice to the Administrative Agent. The Borrower may not replace any Lender pursuant to Section 8.6 unless, with respect to any Notes held by such Lender, the requirements of this subsection have been satisfied. Each Lender shall record on its internal records (including computerized systems) the foregoing information as to its own Commitment and Loans. Failure to make any such recordation, or any error in such recordation, shall not affect the obligations of the Borrower or any Lender under the Loan Documents.

(b) The Borrower hereby agrees that, upon the request of any Lender at any time, such Lender's Loans shall be evidenced by a promissory note or notes of the Borrower (each a "Note"), substantially in the form of Exhibit A hereto, payable to the order of such Lender and representing the obligation of the Borrower to pay the unpaid principal amount of the Loans made by such Lender, with interest as provided herein on the unpaid principal amount from time to time outstanding.

ARTICLE 3

CONDITIONS

SECTION 3.1. Closing Date. The Closing Date hereunder shall occur on the first date on which each of the following conditions shall have been satisfied:

- (a) receipt by the Administrative Agent, to the extent requested by any Lender not less than five Domestic Business Days prior to the Closing Date, of any Notes so requested duly executed by the Borrower;
- (b) the fact that all fees and expenses payable on or before the Closing Date by the Borrower for the account of the Lenders and the Lender Affiliates in connection with this Agreement shall have been paid in full on or before such date in the amounts previously agreed upon in writing;
- (c) receipt by the Administrative Agent of opinions of (i) Skadden, Arps, Slate, Meagher & Flom LLP, special counsel for the Borrower and (ii) Joseph C. Dimino, Senior General Counsel of the Borrower (or another counsel for the Borrower reasonably satisfactory to the Administrative Agent) in substance substantially similar to the respective forms of Exhibits B-1 and B-2 hereto;
- (d) receipt by the Administrative Agent of an opinion of Simpson Thacher & Bartlett LLP, special counsel for the Administrative Agent, substantially in the form of Exhibit C hereto;
- (e) the fact that the Borrower shall have (i) terminated the commitments of the banks under the Existing Credit Agreement, (ii) repaid in full all loans (if any) outstanding thereunder and all interest (if any) accrued thereon and (iii) paid all facility fees accrued thereunder to but not including the date on which such commitments terminated (each Lender which is a party to the Existing Credit Agreement hereby waives compliance with the time requirement that a notice of termination be given in advance of the Closing Date);
- (f) receipt by the Administrative Agent of all documents it may reasonably request relating to the existence of the Borrower, the corporate authority for and the validity of the Loan Documents and any other matters relevant thereto, all in form and substance satisfactory to the Administrative Agent; and
- (g) receipt by the Administrative Agent of a certificate, dated the Closing Date and signed by duly authorized officers of the Borrower, substantially in the form of Exhibit H hereto.

SECTION 3.2. Borrowings. The obligation of any Lender to make a Loan on the occasion of any Borrowing is subject to the satisfaction of the following conditions:

- (a) receipt by the Administrative Agent of a Notice of Borrowing as required by Section 2.2 or 2.3, as the case may be;
- (b) the fact that, immediately after such Borrowing and application of the proceeds thereof, the aggregate outstanding principal amount of the Loans will not exceed the aggregate amount of the Commitments;
- (c) the fact that, immediately before and after such Borrowing, no Default shall have occurred and be continuing;
- (d) the fact that the representations and warranties of the Borrower contained in this Agreement (other than the representations and warranties set forth in Sections 4.4(c) and 4.5) shall be true in all material respects on and as of the date of such Borrowing; and
- (e) the fact that the Closing Date shall have occurred on or prior to August 31, 2004.

Each Borrowing hereunder shall be deemed to be a representation and warranty by the Borrower on the date of such Borrowing as to the facts specified in clauses (b), (c) and (d) of this Section.

SECTION 3.3. Waiver by Lenders. In order to facilitate the satisfaction of the condition set forth in Section 3.1(e) above, (x) each of the parties hereto which is a party to the Existing Credit Agreement waives (i) the requirement in Section 2.9 thereof that a notice terminating the commitments of the banks thereunder must be given at least three Domestic Business Days prior to such termination and (ii) to the extent necessary, the requirement in Section 2.11(a) thereof that a notice of prepayment of any Base Rate Borrowing (as defined in the Existing Credit Agreement) must be given at least one Domestic Business Day prior to such prepayment and (y) each Lender hereunder which is the holder of any Money Market Loan (as defined in the Existing Credit Agreement), to the extent necessary, hereby consents to the prepayment by the Borrower of such Money Market Loan prior to the maturity thereof. The waivers granted under this Section are subject to the obligations of the Borrower to pay to each bank party to the Existing Credit Agreement all amounts payable by the Borrower to such bank pursuant to Section 2.14 of the Existing Credit Agreement as a result of any prepayment.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants on the date hereof that:

SECTION 4.1. Corporate Existence and Power. The Borrower is a corporation duly incorporated, validly existing and in good standing under the laws of Virginia (or, if another corporation has become the Borrower as permitted by Section 5.9, the laws of its jurisdiction of incorporation). The Borrower has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted, except where the failure to have such licenses, authorizations, consents and approvals could not be reasonably expected to result in a Material Adverse Change.

SECTION 4.2. Corporate and Governmental Authorization; No Contravention. The execution, delivery and performance by the Borrower of the Loan Documents are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with, any governmental body, agency or official (except for filings with governmental agencies (x) which filings are necessary or desirable in order for the Borrower to comply with disclosure obligations under applicable laws and (y) which filings, if not made,

would not have any effect on the validity or enforceability of the Loan Documents and the obligations of the Borrower thereunder) and do not contravene, or constitute a default under, any provision of law or regulation applicable to the Borrower (including without limitation the Margin Regulations) or of the articles of incorporation or by-laws of the Borrower, or of any agreement under which Debt may be incurred or any other material agreement, judgment, injunction, order, decree or other instrument binding upon the Borrower or any of its Consolidated Subsidiaries or result in the creation or imposition of any Lien on any asset of the Borrower or any of its Consolidated Subsidiaries.

SECTION 4.3. Binding Effect. This Agreement constitutes, and when executed and delivered in accordance with this Agreement, each Note will constitute, a valid and binding obligation of the Borrower, enforceable against it in accordance with its terms, subject to (i) applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally from time to time in effect and (ii) equitable principles of general applicability.

SECTION 4.4. Financial Information.

(a) The consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of December 31, 2003 and the related consolidated statements of income, cash flows and changes in stockholders' equity for the fiscal year then ended, reported on by KPMG LLP and set forth in the Borrower's 2003 Form 10-K, a copy of which has been delivered to each of the Lenders or otherwise made available to the Lenders as contemplated by Section 5.1, fairly present, in conformity with generally accepted accounting principles in the United States, the consolidated financial position of the Borrower and its Consolidated Subsidiaries as of such date and their consolidated results of operations, cash flows and changes in stockholders' equity for such fiscal year.

(b) The unaudited interim consolidated balance sheets of the Borrower and its Consolidated Subsidiaries and the related unaudited consolidated statements of income, cash flows and changes in stockholders' equity for the three-month periods ended March 31, 2004 and June 30, 2004, set forth in the Borrower's Form 10-Q for each of such periods, a copy of which has been delivered to each of the Lenders or otherwise made available to the Lenders as contemplated by Section 5.1, fairly present, in conformity with generally accepted accounting principles in the United States, the consolidated financial position of the Borrower and its Consolidated Subsidiaries as of such date and their consolidated results of operations, cash flows and changes in stockholders' equity for such periods.

(c) Since December 31, 2003, there has been no material adverse change in the consolidated financial condition, operations, assets, business or prospects of the Borrower and its Consolidated Subsidiaries, taken as a whole (a "Material Adverse Change").

SECTION 4.5. Litigation. There is no action, suit or proceeding (including any rate-setting hearing) pending against, or to the knowledge of the Borrower threatened against or affecting, the Borrower or any of its Consolidated Subsidiaries before any court or arbitrator or any governmental body, agency or official which could reasonably be expected to result in a Material Adverse Change or which in any manner draws into question the validity or enforceability of the Loan Documents.

SECTION 4.6. Compliance with Laws. (a) The Borrower and its Consolidated Subsidiaries are in compliance in all material respects with all applicable provisions of the United States Interstate Commerce Commission Termination Act of 1995, as amended, and all regulations, orders, rulings and interpretations thereunder, except where the failure to so comply could not reasonably be expected to result in a Material Adverse Change.

(b) Each member of the ERISA Group has fulfilled its obligations under the minimum funding standards of ERISA and the Internal Revenue Code with respect to each Plan and is in compliance in all material respects with the presently applicable provisions of ERISA and the Internal Revenue Code with respect to each Plan. No member of the ERISA Group has (i) sought a waiver of the minimum funding standard under Section 412 of the Internal Revenue Code in respect of any Plan, (ii) failed to make any material contribution or payment due under any Multiemployer Plan in which more than 100 employees of members of the ERISA Group participate or under any Plan or in respect of any Benefit Arrangement, or made any amendment to any Plan or Benefit Arrangement, any of which has resulted in the imposition of a Lien under Section 412(n) of the Internal Revenue Code or Section 302(f) of ERISA or could reasonably be expected to result in the posting of a bond or other security under Section 401(a)(29) of the Internal Revenue Code or Section 307 of ERISA or (iii) incurred any material liability under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA.

SECTION 4.7. Environmental Matters. In the ordinary course of its business, the Borrower reviews the effect of applicable Environmental Laws on the business and operations and properties of the Borrower and its Consolidated Subsidiaries, in the course of which it identifies and evaluates actual and potential associated liabilities and costs (including, without limitation, any capital or operating expenditures required for clean-up or closure of properties presently or previously owned or as a result of accidents or occurrences involving property or employees of the Borrower and its Consolidated Subsidiaries, any capital or operating expenditures required to achieve or maintain compliance with environmental protection standards imposed by law or as a condition of any license, permit or contract, any related constraints on operating activities, including any periodic or permanent shutdown of any facility, restriction on transportation of any substance or reduction in the level of or change in the nature of operations and any actual or potential liabilities to third parties, including employees, and any related costs and expenses). On the basis of its review, the Borrower has reasonably concluded that applicable Environmental Laws, as they relate to matters known to the Borrower, cannot reasonably be expected to result in a Material Adverse Change.

SECTION 4.8. Taxes

United States consolidated Federal income tax returns of the Borrower and its Subsidiaries as of the Closing Date have been examined and revenue agent reports have been received for all years up to and including the fiscal year ended December 31, 1999. The Borrower and its Subsidiaries have filed all United States Federal income tax returns and all other material tax returns which are required to be filed by them and have paid all taxes due pursuant to such returns or pursuant to any assessment received by the Borrower or any Subsidiary or are contesting such assessment in good faith by appropriate proceedings, except where the failure to so pay or file could not be reasonably expected to result in a Material Adverse Change. The charges, accruals and reserves on the books of the Borrower and its Subsidiaries in respect of taxes or other governmental charges are, in the opinion of the Borrower, adequate.

SECTION 4.9. Significant Subsidiaries. Each of the Borrower's Significant Subsidiaries is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation, and has all corporate powers and all material governmental licenses, authorizations, franchises, consents and approvals required to carry on its business as now conducted, except where the failure to have such licenses, authorizations, franchises, consents and approvals could not be reasonably expected to result in a Material Adverse Change.

SECTION 4.10. Not an Investment Company or a Holding Company. The Borrower is not an "investment company" within the meaning

of the Investment Company Act of 1940, as amended. The Borrower is not a "holding company", a "subsidiary company" of a "holding company" or an "affiliate" of a "holding company" within the meaning of the Public Utility Holding Company Act of 1935, as amended.

SECTION 4.11. Full Disclosure. All written information, taken as a whole, heretofore furnished by the Borrower to the Administrative Agent or any Lender for purposes of or in connection with this Agreement or any transaction contemplated hereby is, and all such information hereafter furnished by the Borrower to the Administrative Agent or any Lender will be, true and accurate in all material respects on the date as of which such information is stated or certified. The Borrower has disclosed to the Lenders or to the Administrative Agent for circulation to the Lenders pursuant to Section 5.1 in writing any and all facts known to the Borrower which materially and adversely affect the business, operations or financial condition of the Borrower and its Consolidated Subsidiaries, taken as a whole, or the ability of the Borrower to perform its obligations under this Agreement.

SECTION 4.12. No Default. No Default has occurred and is continuing and neither the Borrower nor any of its Subsidiaries is in default under or with respect to any material contract, agreement, lease or other instrument to which it is a party or by which its property is bound or affected where such default could reasonably be expected to result in a Material Adverse Change.

ARTICLE 5

COVENANTS

The Borrower agrees that, so long as any Lender has any Commitment hereunder or any principal of or interest on any Loan remains unpaid:

SECTION 5.1. Information. The Borrower will deliver to the Administrative Agent for circulation to each of the Lenders:

(a) (i) promptly after they are publicly available, and in any event within 15 days after they are required to be filed with the SEC after the end of each fiscal year of the Borrower, a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of the end of such fiscal year and the related consolidated statements of income, cash flows and changes in stockholders' equity for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on in accordance with regulations of the Securities and Exchange Commission by KPMG LLP or other independent public accountants of nationally recognized standing and (ii) promptly after they are available, and in any event within 15 days after they are required to be filed with the SEC after the end of each fiscal year of Conrail a consolidated balance sheet of Conrail and its Consolidated Subsidiaries as of the end of such fiscal year and the related consolidated statements of income, cash flows and changes in stockholders' equity for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year;

(b) (i) promptly after they are publicly available, and in any event within 15 days after they are required to be filed with the SEC after the end of each of the first three quarters of each fiscal year of the Borrower, (x) a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of the end of such quarter, setting forth in comparative form the figures at the end of the Borrower's previous fiscal year, (y) the related consolidated statement of income for such quarter and for the portion of the Borrower's fiscal year ended at the end of such quarter, setting forth in comparative form the figures for the corresponding quarter and the corresponding portion of the Borrower's previous fiscal year, and (z) the related consolidated statement of cash flows for the portion of the Borrower's fiscal year ended at the end of such quarter, setting forth in comparative form the figures for the corresponding portion of the Borrower's previous fiscal year, certified by the chief financial officer or the chief accounting officer of the Borrower (subject to normal year-end adjustments) as to fairness of presentation, generally accepted accounting principles and consistency as of the dates and for the periods indicated (except for changes in generally accepted accounting principles concurred in by the Borrower's independent public accountants) and (ii) promptly after they are available, and in any event within 15 days after they are required to be filed with the SEC after the end of each of the first three quarters of each fiscal year of Conrail (x) a consolidated balance sheet of Conrail and its Consolidated Subsidiaries as of the end of such quarter, setting forth in comparative form the figures at the end of Conrail's previous fiscal year, (y) the related consolidated statement of income for such quarter and for the portion of Conrail's fiscal year ended at the end of such quarter, setting forth in comparative form the figures for the corresponding quarter and the corresponding portion of Conrail's previous fiscal year, and (z) the related consolidated statement of cash flows for the portion of Conrail's fiscal year ended at the end of such quarter, setting forth in comparative form the figures for the corresponding portion of Conrail's previous fiscal year;

(c) simultaneously with the delivery of the financial statements referred to in clauses (a) and (b) above, a certificate of the chief financial officer, the chief accounting officer, treasurer or any assistant treasurer of the Borrower (i) setting forth in reasonable detail the calculations required to establish whether the Borrower was in compliance with the requirements of Section 5.7 on the date of such financial statements and (ii) stating whether any Default exists on the date of such certificate and, if any Default then exists, setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(d) within ten days after any officer of the Borrower obtains knowledge of any Default, if such Default is then continuing, a certificate of the chief financial officer or the chief accounting officer of the Borrower setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(e) promptly after the mailing thereof to the shareholders of the Borrower generally, copies of all financial statements, reports and proxy statements so mailed;

(f) promptly after the filing thereof, copies of all registration statements (other than the exhibits thereto and any registration statements on Form S-8 or its equivalent) and reports on Forms 10-K, 10-Q and 8-K (or their equivalents) which the Borrower shall have filed with the Securities and Exchange Commission;

(g) if and within ten days after the date any member of the ERISA Group (i) gives or is required to give notice to the PBGC of any "reportable event" (as defined in Section 4043 of ERISA) with respect to any Plan which could reasonably be expected to constitute grounds for a termination of such Plan under Title IV of ERISA or knows that the plan administrator of any Plan has given or is required to give notice of any such reportable event, in each case which could, when considered together with all other such reportable events which have occurred after the date hereof, reasonably be expected to give rise in the aggregate to a liability of members of the ERISA Group in excess of \$100,000,000, a copy of the notice of such reportable event given or required to be given to the PBGC; (ii) receives notice of complete or partial withdrawal liability under Title IV of ERISA or notice that any Multiemployer Plan in which more than 100 employees of members of the ERISA Group participate is in reorganization, is insolvent or has been terminated, a copy of such notice; (iii) receives notice from the PBGC under Title IV of ERISA of an intent to terminate, impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or appoint a trustee to administer any Plan, a copy of such notice; (iv) applies for a waiver of the minimum funding standard under Section 412 of the Internal Revenue

Code, a copy of such application; (v) gives notice of intent to terminate any Plan under Section 4041(c) of ERISA, a copy of such notice and other information filed with the PBGC; (vi) gives notice of withdrawal from any Plan pursuant to Section 4063 of ERISA, a copy of such notice; or (vii) fails to make any payment or contribution due under any Multiemployer Plan in which more than 100 employees of members of the ERISA Group participate or any Plan or in respect of any Benefit Arrangement or makes any amendment to any Plan or Benefit Arrangement, any of which has resulted in the imposition of a Lien under Section 412(n) of the Internal Revenue Code or Section 302(f) of ERISA or could reasonably be expected to result in the posting of a bond or other security under Section 401(a)(29) of the Internal Revenue Code or Section 307 of ERISA, a certificate of the chief financial officer or the chief accounting officer of the Borrower setting forth details as to such occurrence and action, if any, which the Borrower or applicable member of the ERISA Group is required or proposes to take;

(h) as soon as reasonably practicable after any officer of the Borrower obtains knowledge of the commencement of, or of a threat of the commencement of, any actions, suits or proceedings against the Borrower or any of its Subsidiaries before any court or arbitrator or any governmental body, agency or official which could reasonably be expected to result in a Material Adverse Change or which in any manner questions the validity or enforceability of the Loan Documents, a certificate of the chief financial officer or the chief accounting officer of the Borrower setting forth the nature of such pending or threatened action, suit or proceeding and such additional information with respect thereto as may be reasonably requested by any Lender; and

(i) from time to time such additional publicly available information regarding the financial position or business of the Borrower and its Consolidated Subsidiaries as any Lender through the Administrative Agent may reasonably request.

Information required to be delivered pursuant to this Section 5.1 shall be deemed to have been delivered to the Administrative Agent on the date that such information has been posted on the Borrower's website on the Internet at <http://www.nscorp.com> or is available on the website of the SEC at <http://www.sec.gov> (to the extent such information has been posted or is available as described in such notice). Information required to be delivered pursuant to this Section 5.1 may also be delivered by electronic communication pursuant to procedures approved by the Administrative Agent pursuant to Section 9.1 hereto. Upon the release of any such information, the Borrower shall provide a hard copy of such document as any Lender may reasonably request from time to time.

SECTION 5.2. Maintenance of Property; Insurance. (a) The Borrower will keep, and will cause each Consolidated Subsidiary to keep, all property deemed by the Borrower to be useful and necessary to its business in such order and condition as the Borrower shall consider prudent.

(b) The Borrower will maintain purchased insurance and self-insurance consistent with prudent industry and financial practice, covering (without limitation) the risk of (i) physical damage to real and personal property of the Borrower and each of its Subsidiaries on an all risks basis and (ii) public liability of the Borrower and each of its Subsidiaries.

SECTION 5.3. Conduct of Business and Maintenance of Existence. The Borrower will preserve, renew and keep in full force and effect its corporate existence, except as permitted by Section 5.9, and its rights, privileges and franchises reasonably deemed by the Borrower to be necessary or desirable in the normal conduct of business, except where the failure to maintain such rights, privileges and franchises could not be reasonably expected to result in a Material Adverse Change. The Borrower will cause each of its Significant Subsidiaries to continue to engage in business of the same general type as now conducted by it, and will cause each of them to preserve, renew and keep in full force and effect their respective corporate existence and their respective rights, privileges and franchises reasonably deemed by the Borrower to be necessary or desirable in the normal conduct of business, except where the failure to maintain such rights, privileges and franchises could not be reasonably expected to result in a Material Adverse Change. Nothing in this Section 5.3 shall prohibit a merger, consolidation or share exchange pursuant to which any two corporations shall be combined into a single corporation or the acquisition by any corporation of substantially all of the assets of another corporation.

SECTION 5.4. Compliance with Laws. The Borrower will comply, and cause each Subsidiary to comply, in all material respects, with all applicable laws, ordinances, rules, regulations, and requirements of governmental authorities (including, without limitation, the Interstate Commerce Commission Termination Act of 1995, Environmental Laws and ERISA and the rules and regulations thereunder) except where the necessity of compliance therewith is contested in good faith by appropriate proceedings or where such failure could not be reasonably expected to result in a Material Adverse Change.

SECTION 5.5. Payment of Obligations. (a) The Borrower will pay and discharge, and will cause each Significant Subsidiary to pay and discharge, at or before maturity, all their respective material obligations and liabilities (including, without limitation, tax liabilities and claims of materialmen, warehousemen and the like which if unpaid would by law give rise to a Lien not permitted by this Agreement), except, subject to subsection (b), where the same may be contested in good faith by appropriate proceedings or could not be reasonably expected to result in a Material Adverse Change, and will maintain, and will cause each Significant Subsidiary to maintain, in accordance with generally accepted accounting principles, appropriate reserves for the accrual of any of the same.

(b) The Borrower will, and will cause each Subsidiary to, make all payments when due under lease agreements in effect and other operating arrangements in effect between the Borrower or such Subsidiary and Conrail or any of its Subsidiaries and contemplated by the terms of the Transaction Agreement and will, and will cause each Subsidiary to, comply with all other material obligations thereunder.

SECTION 5.6. Inspection of Property, Books and Records. The Borrower will keep, and will cause each Significant Subsidiary to keep, proper books of record and account in which full, true and correct entries shall be made of all transactions in relation to its business and activities; and will permit, and will cause each Subsidiary to permit, representatives designated in writing by any Lender at such Lender's expense, and subject to such limitations as the Borrower may reasonably impose to insure safety or compliance with any applicable legal or contractual restrictions, to visit and inspect any of their respective properties, to examine and make abstracts from any of their corporate books and financial records and to discuss their respective affairs, finances and accounts with their respective principal officers, all at such reasonable times during normal business hours, after reasonable prior notice and as often as may reasonably be desired.

SECTION 5.7. Financial Covenants. (a) **Minimum Consolidated Net Worth.** At no date on or after the Effective Date will Consolidated Net Worth, in each case at such date, be less than an amount equal to the sum of (i) \$5,000,000,000 plus (ii) an amount equal to 25% of Consolidated Net Income for each fiscal quarter of the Borrower commencing on or after the Effective Date and ending on or prior to the date of determination, in each case, for which Consolidated Net Income is positive (but with no deduction on account of negative Consolidated Net Income for any fiscal quarter of the Borrower).

(b) **Leverage Ratio.** The Leverage Ratio will not exceed, at any time on or after the Effective Date during any period set

forth below, the percentage set forth below for such period:

Period	Percentage
Effective Date - 12/31/04	60%
1/1/05 - 12/31/05	59%
1/1/06 and thereafter	58%

SECTION 5.8. Negative Pledge. The Borrower will not create, assume or suffer to exist any Lien on any Investment in a Subsidiary now directly owned or hereafter directly acquired by the Borrower, except Liens described in clause (h) below. Neither the Borrower nor any Subsidiary will create, assume or suffer to exist any Lien on any other asset now owned or hereafter acquired by it except:

(a) Liens existing on the date of this Agreement that have attached (or that hereafter attach, pursuant to agreements in effect on the date hereof, to assets not owned by Persons subject to such agreements on the date hereof), securing Debt in an aggregate principal amount not exceeding \$1,250,000,000;

(b) any Lien existing on any asset of any Person at the time such Person becomes a Subsidiary and not created in contemplation of such event;

(c) any Lien (created pursuant to an equipment trust agreement, conditional sale agreement, chattel mortgage or lease or otherwise) on any asset securing Debt incurred or assumed for the purpose of financing all or any part of the cost of acquiring, constructing or rebuilding such asset;

(d) any Lien on any asset of any Person existing at the time such Person is merged or consolidated with or into the Borrower or a Subsidiary and not created in contemplation of such event;

(e) any Lien existing on any asset prior to the acquisition thereof by the Borrower or a Subsidiary and not created in contemplation of such acquisition;

(f) Liens created, assumed or existing on assets associated with real estate development projects or development joint ventures;

(g) any Lien arising out of the refinancing, extension, renewal or refunding of any Debt secured by any Lien permitted by any of the foregoing clauses of this Section, provided that such Debt is not increased and is not secured by any additional assets;

(h) inchoate tax Liens;

(i) Liens arising in the ordinary course of its business which (i) do not secure Debt or Derivatives Obligations and (ii) do not in the aggregate materially detract from the value of its material assets or materially impair the use thereof in the operation of its business;

(j) Liens on "margin stock" (as defined in the Margin Regulations), if and to the extent that the value of such margin stock exceeds 25% of the total assets of the Borrower and its Subsidiaries subject to this Section;

(k) Liens on cash and cash equivalents securing Derivatives Obligations, provided that the aggregate amount of cash and cash equivalents subject to such Liens may at no time exceed \$100,000,000; and

(l) Liens not otherwise permitted by the foregoing clauses of this Section securing Debt in an aggregate principal amount at any time outstanding not in excess of \$600,000,000.

SECTION 5.9. Consolidations, Mergers and Sales of Assets. (a) The Borrower will not (i) consolidate or merge with or into any other Person or (ii) sell, lease or otherwise transfer, directly or indirectly, all or substantially all of its assets to any other Person; provided that the Borrower may merge or consolidate with another Person or sell all or substantially all of its assets to another Person if:

(A) the Person surviving such merger or consolidation, or the Person that acquires substantially all of the Borrower's assets, is a business corporation incorporated under the laws of a State of the United States of America;

(B) the Person surviving such merger or consolidation, if not the Borrower, or the Person that acquires substantially all of the Borrower's assets, (i) executes and delivers to the Administrative Agent and each of the Lenders an instrument in form reasonably satisfactory to the Administrative Agent pursuant to which such Person assumes all of the Borrower's obligations under the Loan Documents as theretofore amended or modified, including the full and punctual payment (whether at stated maturity, upon acceleration or otherwise) of the principal of and interest on each Loan made to the Borrower pursuant to this Agreement, the full and punctual payment of all other amounts payable hereunder and the performance of all of the other covenants and agreements contained herein and (ii) if requested by the Required Lenders, delivers an opinion of counsel satisfactory to the Required Lenders covering the matters set forth in Exhibits B-1 and B-2, in each case after giving effect to such merger, consolidation or sale of assets, as the case may be; and

(C) immediately after giving effect to such merger, consolidation or sale of assets, no Default shall have occurred and be continuing and the representations and warranties of the Borrower contained in this Agreement shall be true in all material respects as if made immediately after such merger, consolidation or sale of assets.

It is understood that: (i) the reference in Section 4.4(c) to changes in respect of the Borrower and its Consolidated Subsidiaries refers to changes from the business and consolidated financial position of Norfolk Southern Corporation and its Consolidated Subsidiaries at such date, including changes that occur as a result of another Person becoming the Borrower pursuant to such a merger, consolidation or sale of assets and (ii) the references in Section 6.1(l) to individuals who were directors of the Borrower at any time before such a merger, consolidation or sale of assets refers only to individuals who were directors of the Person who was the Borrower at that time. No Person who was the Borrower shall be released from any of its obligations hereunder upon the assumption of such obligations by another Person. For purposes of this Section, the term "consolidate with" means a transaction in which the Borrower and another corporation consolidate to form a new corporation pursuant to the laws of their jurisdictions of incorporation and in which the Borrower and such other corporation cease to exist as separate corporate entities.

(b) Subject to subsection (a) above and subsection (c) below, the Borrower and its Subsidiaries will not sell, lease or otherwise transfer, directly or indirectly, all or any substantial part of the assets of the Borrower and its Subsidiaries, taken as a whole, to any other Person.

(c) The Borrower will at all times own, directly or indirectly (i) all of the shares of capital stock or other ownership interests of Norfolk Southern Railway Company, or the successor thereto by merger, consolidation or share exchange or the Person, if any, who has acquired substantially all of such corporation's assets ("NSRC"), except directors' qualifying shares and (ii) at least 50% of the outstanding shares of voting stock of Acquisition Sub or its successor. The Borrower will cause NSRC to continue to own and operate the railroads and related assets owned and operated by it on the date hereof; provided that nothing in this Section shall prohibit dispositions (by sale, merger or otherwise) by NSRC of (A) assets in the ordinary course of business or (B) obsolete or unproductive assets.

SECTION 5.10. Use of Proceeds. The proceeds of the Loans will be used by the Borrower for general corporate purposes of the Borrower and its Subsidiaries.

SECTION 5.11. Limitation on Subsidiary Debt and Debt of Conrail. (a) The Borrower will not permit any of its Subsidiaries to incur or at any time be liable with respect to any Debt except:

(i) Debt owing to the Borrower or a Subsidiary all of the outstanding common stock of which (other than directors' qualifying shares) is owned directly or indirectly by the Borrower;

(ii) Debt of Subsidiaries not otherwise permitted by this Section in an aggregate principal amount at any time outstanding not exceeding \$500,000,000;

(iii) Guarantees by any Subsidiary of Debt of its own Subsidiaries, provided that the Guaranteed Debt is permitted under this Section;

(iv) Debt of any Person at the time such Person becomes a Subsidiary and not incurred in contemplation of such event;

(v) Debt of Subsidiaries exchanged for Debt of Conrail and any of its Subsidiaries in conjunction with the Spin-Off, not exceeding at any time outstanding: (i) 58% of the Debt of Conrail and any of its Subsidiaries as of the Closing Date plus (ii) any accounting write-up or adjustment required under generally accepted accounting principles in the United States as a result of said exchange;

(vi) Debt of a Subsidiary in existence on the Effective Date and extensions, renewals and refinancings thereof;

(vii) Debt of a Subsidiary incurred in connection with the financing of any asset, but solely to the extent that under the terms of such Debt the obligations of such Subsidiary with respect to such Debt may be satisfied by recourse only to such asset and the proceeds thereof;

(viii) Debt of a Subsidiary assumed by such Subsidiary (or for which such Subsidiary has otherwise become liable) and required to be assumed by such Subsidiary (or for which such Subsidiary is otherwise required to become liable) under the terms (as in effect on the Closing Date) of any Debt of Conrail or any of its Subsidiaries in existence on the Closing Date and permitted by Section 5.11(b), as a result of any operating arrangements or other transactions entered into between such Subsidiary and Conrail or any of its Subsidiaries and contemplated by the terms of the Transaction Agreement; and

(ix) Debt of Subsidiaries incurred or assumed (in connection with an equipment trust agreement, conditional sale agreement, chattel mortgage or lease or otherwise) for the purpose of directly or indirectly financing all or any part of the cost of acquiring, constructing or rebuilding any asset and any renewal, extension or refinancing thereof; provided that the aggregate principal amount of such Debt (other than extensions, renewals and refinancings) incurred or assumed in any fiscal year of the Borrower pursuant to this clause (viii) shall not exceed \$350,000,000.

(b) Total Debt of Conrail and its Subsidiaries (other than Debt owed by Conrail to any of its Subsidiaries or by any of Conrail's subsidiaries to Conrail or any of its Subsidiaries) will not exceed \$1,500,000,000 prior to the Spin-Off and \$500,000,000 after the Spin-Off.

SECTION 5.12. Transactions with Affiliates. The Borrower will not, and will not permit any Subsidiary to, directly or indirectly, pay any funds to or for the account of, make any Investment in, lease, sell, transfer or otherwise dispose of any assets, tangible or intangible, to, or participate in, or effect, any transaction with, any Affiliate except on an arm's-length basis on terms no less favorable in any material respect to the Borrower or such Subsidiary than could have been obtained from a third party who was not an Affiliate; provided that the foregoing provisions of this Section shall not prohibit (i) the declaration or payment of any lawful dividend or other payment ratably in respect of all of its capital stock of the relevant class, (ii) transactions entered into in the ordinary course of business with joint ventures in which the Borrower has a direct or indirect interest to the extent the Borrower has determined in its reasonable judgment that the business purpose achieved by such transactions renders the terms thereof reasonable or (iii) the transactions contemplated by the Transaction Agreement, including the Spin-Off.

SECTION 5.13. Arrangements Regarding Conrail Stock and Assets. The Borrower will not, and will not permit any of its Subsidiaries to, consent to or solicit any amendment or supplement to, or any waiver or other modification of, the Transaction Agreement in any manner which could reasonably be expected to materially adversely affect the rights of the Lenders under the Loan Documents or their ability to enforce the same.

ARTICLE 6

DEFAULT

SECTION 6.1. Events of Default. If one or more of the following events ("Events of Default") shall have occurred and be continuing:

(a) the Borrower shall default in the payment when due of any principal of any Loan, or shall default in the payment, within five Domestic Business Days of the due date thereof, of any interest, fees or other amount payable hereunder;

(b) the Borrower shall fail to observe or perform any covenant contained in Sections 5.7 to 5.13, inclusive;

(c) the Borrower shall fail to observe or perform any covenant or agreement contained in any Loan Document (other than those covered by clause (a) or (b) above) for 10 Domestic Business Days after written notice thereof has been given to the Borrower by the Administrative Agent at the request of any Lender;

(d) any representation, warranty or certification made (or deemed made) by the Borrower in any Loan Document or in any certificate, financial statement or other document delivered pursuant to any Loan Document shall prove to have been incorrect in any material respect when made (or deemed made);

(e) the Borrower or any of its Subsidiaries shall fail to make any payment in respect of any Material Debt when due or within any applicable grace period;

(f) any event or condition shall occur which results in the acceleration of the maturity of any Material Debt or enables the holder of such Debt or any Person acting on such holder's behalf to accelerate the maturity thereof;

(g) the Borrower or any Significant Subsidiary (including for purposes of this subsection prior to the Spin-Off Conrail and, to the extent they would meet the criteria specified in the definition of Significant Subsidiary, its Subsidiaries) shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing;

(h) an involuntary case or other proceeding shall be commenced against the Borrower or any Significant Subsidiary (including for purposes of this subsection prior to the Spin-Off Conrail and, to the extent they would meet the criteria specified in the definition of Significant Subsidiary, its Subsidiaries) seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against the Borrower or any Significant Subsidiary under the federal bankruptcy laws as now or hereafter in effect;

(i) any member of the ERISA Group shall fail to pay when due an amount or amounts aggregating in excess of \$100,000,000 which it shall have become liable to pay under Title IV of ERISA; or notice of intent to terminate a Material Plan shall be filed under Title IV of ERISA by any member of the ERISA Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate, to impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or to cause a trustee to be appointed to administer any Material Plan; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Material Plan must be terminated; or there shall occur a complete or partial withdrawal from, or a default, within the meaning of Section 4219(c)(5) of ERISA, with respect to, one or more Multiemployer Plans which, in any such case, could reasonably be expected to cause one or more members of the ERISA Group to incur a current payment obligation in excess of \$100,000,000;

(j) a judgment or order for the payment of money in excess of \$100,000,000 shall be rendered against the Borrower or any Significant Subsidiary and such judgment or order shall continue unsatisfied, unreversed, unvacated, undischarged and unstayed for a period of 30 days;

(k) any person or group of persons (within the meaning of Section 13 or 14 of the Securities Exchange Act of 1934, as amended) shall have acquired beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under said Act) of 30% or more of the outstanding shares of common stock of the Borrower; or

(l) at any time Continuing Directors shall not constitute a majority of the board of directors of the Borrower ("Continuing Director" means at any time each (i) individual who was a director of the Borrower 24 months before such time or (ii) individuals who were nominated or elected to be a director of the Borrower by at least two-thirds of the Continuing Directors at the time of such nomination or election);

then, and in every such event, the Administrative Agent shall (i) if requested by the Required Lenders, by notice to the Borrower terminate the Commitments and they shall thereupon terminate, and (ii) if requested by the Required Lenders, by notice to the Borrower declare the Loans (together with accrued interest thereon) to be, and the Loans (together with accrued interest thereon) shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; provided that in the case of any of the Events of Default specified in clause (g) or (h) above with respect to the Borrower, without any notice to the Borrower or any other act by the Administrative Agent or the Lenders, the Commitments shall thereupon terminate and the Loans (together with accrued interest thereon) shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

SECTION 6.2. Notice of Default. The Administrative Agent shall give notice to the Borrower under Section 6.1(c) promptly upon being requested to do so by any Lender and shall thereupon notify all the Lenders thereof.

ARTICLE 7

THE AGENTS

SECTION 7.1. Appointment and Authorization. Each Lender irrevocably appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent by the terms thereof, together with all such powers as are reasonably incidental thereto.

SECTION 7.2. Agents and Affiliates. Each Agent shall have the same rights and powers under the Loan Documents as any other Lender and may exercise or refrain from exercising the same as though it were not an Agent, and each Agent and its Affiliates may engage in any kind of business with the Borrower or any Subsidiary or Affiliate of the Borrower as if it were not an Agent hereunder.

SECTION 7.3. Action by Administrative Agent. The obligations of the Administrative Agent hereunder are only those expressly set forth herein. Without limiting the generality of the foregoing, the Administrative Agent shall not be required to take any action with respect to any

Default, except as expressly provided in Article 6.

SECTION 7.4. Consultation with Experts. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts.

SECTION 7.5. Liability of the Agents. Neither any Agent nor any of its Affiliates nor any of the respective directors, officers, agents or employees of the foregoing shall be liable for any action taken or not taken by it in connection herewith (i) with the consent or at the request of the Required Lenders or (ii) in the absence of its own gross negligence or willful misconduct. Neither any Agent nor any of its Affiliates nor any of the respective directors, officers, agents or employees of the foregoing shall be responsible for or have any duty to ascertain, inquire into or verify (i) any statement, warranty or representation made in connection with this Agreement or any borrowing hereunder; (ii) the performance or observance of any of the covenants or agreements of the Borrower; (iii) the satisfaction of any condition specified in Article 3, except, in the case of the Administrative Agent, receipt of items required to be delivered to it; or (iv) the validity, effectiveness or genuineness of any Loan Document or any other instrument or writing furnished in connection therewith. The Administrative Agent shall not incur any liability by acting in reliance upon any notice, consent, certificate, statement, or other writing (which may be a bank wire, telex or similar writing) believed by it to be genuine or to be signed by the proper party or parties.

SECTION 7.6. Indemnification. For so long as the Administrative Agent shall serve in that capacity, each Lender shall, ratably in accordance with its Commitment (or, if the Commitments shall have terminated, the aggregate outstanding principal amount of its Loans), indemnify such Administrative Agent, its Affiliates and its respective directors, officers, agents and employees (to the extent not reimbursed by the Borrower) against any cost, expense (including reasonable counsel fees and disbursements), claim, demand, action, loss or liability (except such as result from such indemnitee's gross negligence or willful misconduct) that such indemnitee may suffer or incur in connection with this Agreement or any action taken or omitted by such indemnitee hereunder.

SECTION 7.7. Credit Decision. Each Lender acknowledges that it has, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking any action under this Agreement.

SECTION 7.8. Successor Administrative Agent. The Administrative Agent may resign at any time by giving written notice thereof to the Lenders and the Borrower. Upon any such resignation, the Required Lenders shall have the right to appoint a successor Administrative Agent reasonably acceptable to the Borrower. If no successor Administrative Agent shall have been so appointed by the Required Lenders, and shall have accepted such appointment, within 30 days after the retiring Administrative Agent gives notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, which shall be a commercial bank organized or licensed under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least \$500,000,000. Upon the acceptance of its appointment as Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Article shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent.

SECTION 7.9. Administrative Agent's Fees. The Borrower shall pay to the Administrative Agent for its own account fees in the amounts and at the times previously agreed upon between the Borrower and the Administrative Agent.

SECTION 7.10. Syndication Agent, Arrangers and Documentation Agents. Neither the Syndication Agent, nor the Arrangers, nor the Documentation Agents shall have any duties or responsibilities hereunder in their respective capacities as such.

ARTICLE 8

CHANGE IN CIRCUMSTANCE

SECTION 8.1. Basis for Determining Interest Rate Inadequate or Unfair. If on or prior to the first day of any Interest Period for any Fixed Rate Loan:

- (a) the Administrative Agent is advised by the Euro-Dollar Reference Lenders that deposits in dollars (in the applicable amounts) are not being offered to the Euro-Dollar Reference Lenders in the relevant market for such Interest Period, or
- (b) in the case of a Committed Borrowing, Lenders having 50% or more of the aggregate amount of the Commitments advise the Administrative Agent that the London Interbank Offered Rate as determined by the Administrative Agent will not adequately and fairly reflect the cost to such Lenders of funding their Euro-Dollar Loans for such Interest Period, the Administrative Agent shall forthwith give notice thereof to the Borrower and the Lenders, whereupon until the Administrative Agent notifies the Borrower that the circumstances giving rise to such suspension no longer exist (which notice the Administrative Agent shall deliver immediately upon its becoming aware thereof), (i) the obligations of the Lenders to make Euro-Dollar Loans or to continue or convert outstanding Loans as or into Euro-Dollar Loans shall be suspended and (ii) each outstanding Euro-Dollar Loan shall be converted into a Base Rate Loan on the last day of the then current Interest Period applicable thereto. Unless the Borrower notifies the Administrative Agent at least two Domestic Business Days before the date of any Fixed Rate Borrowing for which a Notice of Borrowing has previously been given that it elects not to borrow on such date, (i) if such Fixed Rate Borrowing is a Committed Borrowing, such Borrowing shall instead be made as a Base Rate Borrowing and (ii) if such Fixed Rate Borrowing is a Money Market LIBOR Borrowing, the Money Market LIBOR Loans comprising such Borrowing shall bear interest for each day from and including the first day to but excluding the last day of the Interest Period applicable thereto at the Base Rate for such day.

SECTION 8.2. Illegality. If, on or after the date of this Agreement, the adoption of any applicable law, rule or regulation, or any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Lender (or its Euro-Dollar Lending Office) with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impossible for any Lender (or its Euro-Dollar Lending Office) to make, maintain or fund its Euro-Dollar Loans and such Lender shall so notify the Administrative Agent, the Administrative Agent shall forthwith give notice thereof to the other Lenders and the Borrower, whereupon until such Lender notifies the Borrower and the Administrative Agent that the circumstances giving rise to such suspension no longer exist (which notice

such Lender shall give immediately upon its becoming aware thereof), the obligation of such Lender to make Euro-Dollar Loans, or to convert outstanding Loans into Euro-Dollar Loans, shall be suspended. Before giving any notice to the Administrative Agent pursuant to this Section, such Lender shall designate a different Euro-Dollar Lending Office if such designation will avoid the need for giving such notice and will not, in the judgment of such Lender, be otherwise disadvantageous to such Lender. If such notice is given, each Euro-Dollar Loan of such Lender then outstanding shall be converted to a Base Rate Loan either (a) on the last day of the then current Interest Period applicable to such Euro-Dollar Loan if such Lender may lawfully continue to maintain and fund such Loan to such day or (b) immediately if such Lender shall determine that it may not lawfully continue to maintain and fund such Loan to such day.

SECTION 8.3. Increased Cost and Reduced Return. (a) If on or after (x) the date hereof, in the case of any Committed Loan or any obligation to make Committed Loans or (y) the date of the related Money Market Quote, in the case of any Money Market Loan, the adoption of any applicable law, rule or regulation, or any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Lender (or its Applicable Lending Office) with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall impose, modify or deem applicable any reserve, special deposit, insurance assessment or similar requirement (including, without limitation, any such requirement imposed by the Board of Governors of the Federal Reserve System, but excluding, with respect to any Euro-Dollar Loan, any such requirement with respect to which such Lender is entitled to compensation during the relevant Interest Period under Section 2.7) against assets of, deposits with or for the account of, or credit extended by, any Lender (or its Applicable Lending Office) or shall impose on any Lender (or its Applicable Lending Office) or the London interbank market any other condition affecting its Fixed Rate Loans or its obligation to make Fixed Rate Loans, and the result of any of the foregoing is to increase the cost to such Lender (or its Applicable Lending Office) of making or maintaining any Fixed Rate Loan, or to reduce the amount of any sum received or receivable by such Lender (or its Applicable Lending Office) under this Agreement with respect thereto, by an amount deemed by such Lender to be material, then, within 15 days after demand by such Lender (with a copy to the Administrative Agent), the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender for such increased cost or reduction.

(b) If any Lender shall have determined that, after the date hereof, the adoption of any applicable law, rule or regulation regarding capital adequacy, or any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on capital of such Lender (or its Parent) as a consequence of such Lender's obligations hereunder to a level below that which such Lender (or its Parent) could have achieved but for such adoption, change, request or directive (taking into consideration its policies with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time, within 15 days after demand by such Lender (with a copy to the Administrative Agent), the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender (or its Parent) for such reduction.

(c) Each Lender will promptly notify the Borrower and the Administrative Agent of any event, past or prospective, of which it has knowledge which will entitle such Lender to compensation pursuant to this Section, or which such Lender believes is reasonably likely to entitle such Lender to compensation pursuant to this Section, and will designate a different Applicable Lending Office if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the judgment of such Lender, be otherwise disadvantageous to such Lender. A certificate of any Lender claiming compensation under this Section (for itself or for a Participant) and setting forth the additional amount or amounts to be paid to it hereunder and indicating in reasonable detail the computation thereof shall be conclusive in the absence of manifest error. In determining such amount, such Lender may use any reasonable averaging and attribution methods.

(d) The Borrower shall not be liable pursuant to this Section to any Lender to compensate it for any cost or reduction incurred or suffered more than 45 days before receipt by the Borrower of a notice from such Lender referring to the event that gave rise to such cost or reduction.

(e) This Section 8.3 shall not require the Borrower to reimburse any Lender for any Taxes or Other Taxes which are otherwise covered by the payment of additional amounts or the indemnity set forth in Section 8.4(b) or (c), respectively.

SECTION 8.4. Taxes. (a) For the purposes of this Section 8.4 the following terms have the following meanings:

"Taxes" means any and all present or future taxes, duties, levies, imposts, deductions, charges or withholdings with respect to any payment by the Borrower pursuant to this Agreement or under any Note, and all interest, additions to tax or penalties with respect thereto, excluding (i) in the case of each Lender (or Participant) and the Administrative Agent, taxes imposed on its income, and franchise, branch profits or similar taxes imposed on it, by a jurisdiction under the laws of which such Lender or the Administrative Agent (as the case may be) is organized or located or in which its principal executive office is located or, in the case of each Lender (or Participant), in which its Applicable Lending Office is located and (ii) in the case of each Lender (or Participant), any withholding tax imposed on such payments but only to the extent that such Lender (or Participant) is subject to withholding tax at the time such Lender (or Participant) first becomes a party to this Agreement (or designates a new Applicable Lending Office) or is attributable to such Lender's (or Participant's) failure or inability to comply with Section 8.4(d).

"Other Taxes" means any present or future stamp or documentary taxes and any other excise or property taxes, or similar charges or levies, which arise from any payment made pursuant to this Agreement or under any Note or from the execution or delivery of, or otherwise with respect to, this Agreement or any Note.

(b) Any and all payments by the Borrower to or for the account of any Lender or the Administrative Agent hereunder or under any Note shall be made without withholding or deduction for any Taxes or Other Taxes; provided that, if the Borrower shall be required by law to deduct any Taxes or Other Taxes from any such payments, (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) such Lender or the Administrative Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions, (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law and (iv) the Borrower shall furnish to the Administrative Agent, at its address referred to in Section 9.1, the original or a certified copy of a receipt evidencing payment thereof.

(c) The Borrower agrees to indemnify each Lender and the Administrative Agent for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed or asserted by any jurisdiction on amounts payable under this Section) paid by such Lender or the Administrative Agent (as the case may be) and any penalties, interest and reasonable expenses arising therefrom or

with respect thereto; provided, however, that the Borrower shall not be required to indemnify any Lender or the Administrative Agent under this Section 8.4 for any liability arising as a result of such Lender's or Administrative Agent's willful misconduct or gross negligence. This indemnification shall be paid within 30 days after such Lender or the Administrative Agent (as the case may be) makes written demand therefor (which demand shall identify the nature and the amount of Taxes and Other Taxes for which indemnification is being sought).

(d) Each Lender (or Participant) that is not a "U.S. Person" as defined in Section 7701(a)(30) of the Internal Revenue Code (a "Non-U.S. Lender") on or prior to the date of its execution and delivery of this Agreement in the case of each Lender listed on the signature pages hereof (or, in the case of any Participant, on or before the date such Participant purchases the related participation) and on or prior to the date on which it becomes a Lender in the case of each other Lender, and from time to time thereafter if requested in writing by the Borrower (but only so long as such Non-U.S. Lender remains lawfully able to do so), shall provide the Borrower and the Administrative Agent (or, in the case of a Participant, to the Lender from which the related participation shall have been purchased) with two copies of either Internal Revenue Service Form W-8BEN or Form W-8ECI (or successor forms), or, in the case of a Non-U.S. Lender claiming exemption from U.S. Federal withholding tax under Section 871(h) or 881(c) of the Internal Revenue Code with respect to payments of "portfolio interest", a Form W-8BEN, or any successor form prescribed by the Internal Revenue Service, and a certificate representing that such Non-U.S. Lender is not a bank for purposes of Section 881(c)(3)(A) of the Internal Revenue Code, is not a 10 percent shareholder of the Borrower (within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code) and is not a "controlled foreign corporation" related to the Borrower (within the meaning of Section 881(c)(3)(C) of the Internal Revenue Code), properly completed and duly executed by such Non-U.S. Lender claiming complete exemption from, or reduced rate of, U.S. Federal withholding tax on payments by the Borrower under this Agreement. Each Non-U.S. Lender further agrees (but only so long as such Non-U.S. Lender is lawfully able to do so) to deliver to the Borrower and the Administrative Agent duly completed copies of the above-mentioned Internal Revenue Service forms on or before the earlier of (i) the date that is 30 days before the date that any such form expires or becomes obsolete or otherwise is required to be resubmitted as a condition to obtaining an exemption from withholding of U.S. federal income tax and (ii) 30 days after the occurrence of any event which would require a change in the most recent form previously delivered to the Borrower and the Administrative Agent.

(e) For any period with respect to which a Lender (or Participant) has failed to provide the Borrower or the Administrative Agent with the appropriate form or certificate pursuant to Section 8.4(d) (unless such failure is due to a change in treaty, law or regulation occurring subsequent to the date on which such form or certificate originally was required to be provided), or with respect to which any representation or certification on any such form or certificate is, or proves to be, materially incorrect, false or misleading when so made such Lender (or Participant) shall not be entitled to receive additional amounts or indemnification under Section 8.4(b) or (c), respectively, with respect to Taxes imposed by the United States and such Lender (or Participant) shall indemnify and reimburse the Borrower for any Taxes or Other Taxes which were required to be withheld but which were not withheld as a result of such Lender's (or Participant's) failure to provide the appropriate form or certificate or such Lender's (or Participant's) materially incorrect, false or misleading representations or certifications; provided that if a Lender (or Participant), which is otherwise exempt from or subject to a reduced rate of withholding tax, becomes subject to Taxes because of its failure to deliver a form required hereunder, the Borrower shall take such steps (at such Lender's (or Participant's) cost and expense) as such Lender (or Participant) shall reasonably request to assist such Lender (or Participant) to recover such Taxes.

(f) If the Borrower is required to pay additional amounts to or for the account of any Lender pursuant to this Section, then (i) such Lender will change the jurisdiction of its Applicable Lending Office if, in the judgment of such Lender, such change (x) will eliminate or reduce any such additional payment which may thereafter accrue and (y) is not otherwise disadvantageous to such Lender or (ii) if such Lender does not change the jurisdiction of its Applicable Lending Office, the Borrower shall have the right to designate a substitute lender or lenders pursuant to Section 8.6 hereof.

(g) Upon the reasonable request of the Borrower, and at the Borrower's expense, each Lender shall use reasonable efforts to cooperate with the Borrower with a view to obtain a refund of any Taxes or Other Taxes for which the Borrower has indemnified such Lender under this Section 8.4 if obtaining such refund would not, in the sole judgment of such Lender, be disadvantageous to such Lender. If a Lender shall receive a refund from a taxing authority of any Taxes or other Taxes paid by the Borrower pursuant to subsection (b) or (c) above, such Lender shall promptly pay to the Borrower the amount so received without interest (other than interest received from the taxing authority with respect to such refund) and net of out-of-pocket expenses; provided that such Lender shall only be required to pay to the Borrower such amounts as such Lender in its sole discretion determines are attributable to Taxes paid by the Borrower. In the event such Lender or the Administrative Agent is required to repay the amount of such refund (including interest, if any), the Borrower, upon the request of such Lender or the Administrative Agent (as the case may be), agrees to promptly return to such Lender or the Administrative Agent the amount of such refund and interest, if any (plus penalties, interest and other charges imposed in connection with the repayment of such amounts by such Lender or the Administrative Agent).

(h) Notwithstanding the foregoing, nothing in this Section 8.4 shall be construed to (i) entitle the Borrower or any other Persons (A) to any information determined by any Lender or the Administrative Agent, in its sole discretion, to be confidential or proprietary information of such Lender or the Administrative Agent unrelated to matters specifically related to Section 8.4, (B) to any tax or financial information of any Lender or the Administrative Agent unrelated to matters specifically related to Section 8.4 or (C) to inspect or review any books and records of any Lender or the Administrative Agent unrelated to matters specifically related to Section 8.4, or (ii) interfere with the rights of any Lender or the Administrative Agent to conduct its fiscal or tax affairs in such manner as it deems fit.

SECTION 8.5. Base Rate Loans Substituted for Affected Fixed Rate. If (i) the obligation of any Lender to make, or convert outstanding Loans to, Euro-Dollar Loans has been suspended pursuant to Section 8.2 or (ii) any Lender has demanded compensation under Section 8.3(a) or 8.4, or the Borrower is required to make any additional payments under Section 8.4 in respect of any payments to any Lender, in either case with respect to its Euro-Dollar Loans, and the Borrower shall, by at least five Euro-Dollar Business Days' prior notice to such Lender through the Administrative Agent, have elected that the provisions of this Section shall apply to such Lender, then, unless and until such Lender notifies the Borrower that the circumstances giving rise to such suspension or demand for compensation no longer apply:

(a) all Loans which would otherwise be made by such Lender as (or continued as or converted into) Euro-Dollar Loans shall instead be Base Rate Loans (on which interest and principal shall be payable contemporaneously with the related Fixed Rate Loans of the other Lenders), and

(b) after each of its Euro-Dollar Loans has been repaid (or converted to a Base Rate Loan), all payments of principal which would otherwise be applied to repay such Fixed Rate Loans shall be applied to repay its Base Rate Loans instead.

If such Lender notifies the Borrower that the circumstances giving rise to such notice no longer apply, the principal amount of each such Base

Rate Loan shall be converted into a Euro-Dollar Loan on the first day of the next succeeding Interest Period applicable to the related Euro-Dollar Loans of the other Lenders.

SECTION 8.6. Substitution of Lender. If any Lender has demanded compensation under Section 8.3 or 8.4, the Borrower is required to make any additional payments under Section 8.4 in respect of any payment to any Lender or any Lender defaults in any of its obligations to make any Loan, the Borrower shall have the right to designate a substitute lender or lenders reasonably acceptable to the Administrative Agent (which may be one or more of the Lenders) to purchase the Loans and assume the Commitments of such Lender and each Lender agrees in such event, if the Borrower so designates a substitute or substitutes, it will sell its Loans and assign its rights under this Agreement to such a substitute or substitutes as soon as reasonably possible (and in any event within 30 days) after such designation on substantially the terms set forth in Exhibit D for a payment equal to the principal amount of its Loans plus all interest on such Loans and all facility fees accrued but unpaid to but excluding the date of such payment plus any loss or expense incurred by it (or by an existing or prospective Participant in the related Loan), in connection with such payment, including (without limitation) any loss incurred in obtaining, liquidating or employing deposits from third parties, but excluding loss of margin for the period after any such payment, as reasonably determined by it.

ARTICLE 9

MISCELLANEOUS

SECTION 9.1. Notices. All notices, requests and other communications to any party hereunder shall be in writing (including bank wire, facsimile transmission or similar writing) and shall be given to such party:

(a) in the case of the Borrower, to Norfolk Southern Corporation, Three Commercial Place, Norfolk, Virginia 23510-2191, Attention of William Romig, Vice President and Treasurer (Telecopy No. (757) 629-2361);

(b) in the case of the Administrative Agent, to JPMorgan Chase Bank, Agent Bank Services, 1111 Fannin, 10th Floor, Houston, TX 77002, Attention of Alicia Telles (Telecopy No. (713) 750-2938) with a copy to JPMorgan Chase Bank, 270 Park Avenue, 4th Floor, New York, New York 10017, Attention of Robert Kellas (Telecopy No. (212) 270-5100);

(c) in the case of any Lender, at its address set forth in its Administrative Questionnaire; or

(d) in the case of any party, such other address as such party may hereafter specify for the purpose by notice to the Administrative Agent and the Borrower.

Each such notice, request or other communication shall be effective (i) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid or (ii) if given by any other means, when delivered at the address specified in this Section; provided that notices to the Administrative Agent under Article 2 or Article 8 shall not be effective until received.

Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent (upon any such procedures' approval, the Administrative Agent shall provide notice thereof to the applicable Lender); provided that the foregoing shall not apply to notices pursuant to Article 2 unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it prior to such communication (upon any such procedures' approval, the Administrative Agent shall provide notice thereof to the Lenders); provided that approval of such procedures may be limited to particular notices or communications.

SECTION 9.2. No Waivers. No failure or delay by any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided in the Loan Documents shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 9.3. Expenses; Indemnification. (a) The Borrower shall pay (i) all reasonably incurred out-of-pocket expenses of the Administrative Agent, including fees and disbursements of special counsel for the Administrative Agent, in connection with the preparation and administration of this Agreement, any waiver or consent hereunder or any amendment hereof or any Default or alleged Default hereunder and (ii) if an Event of Default occurs, all out-of-pocket expenses incurred by the Administrative Agent and each Lender, including fees and disbursements of counsel, in connection with such Event of Default and collection, bankruptcy, insolvency and other enforcement proceedings resulting therefrom.

(b) The Borrower agrees to indemnify the Administrative Agent and each Lender, their respective affiliates and the respective directors, officers, agents, employees and advisors of the foregoing (each an "Indemnitee") and hold each Indemnitee harmless from and against any and all liabilities, losses, actions, judgments, suits, damages, costs and expenses of any kind, including, without limitation the reasonable fees and disbursements of counsel, which may be incurred by such Indemnitee in connection with any investigative, administrative or judicial proceeding (whether or not such Indemnitee shall be designated a party thereto) brought or threatened relating to or arising out of this Agreement or any actual or proposed use of proceeds of Loans hereunder (all the foregoing, collectively, the "indemnified liabilities"); provided that no Indemnitee shall have the right to be indemnified hereunder for indemnified liabilities found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from such Indemnitee's gross negligence or willful misconduct.

SECTION 9.4. Sharing of Set-Offs. (a) Each Lender agrees that if it shall, by exercising any right of set-off or counterclaim or otherwise, receive payment of a proportion of the aggregate amount of principal and interest due with respect to any Loan payable to it which is greater than the proportion received by any other Lender in respect of the aggregate amount of principal and interest due with respect to any Loan payable to such other Lender, the Lender receiving such proportionately greater payment shall purchase such participations in the Loans payable to the other Lenders, and such other adjustments shall be made, as may be required so that all such payments of principal and interest with respect to the Loans shall be shared by the Lenders pro rata; provided that nothing in this Section shall impair the right of any Lender to exercise any right of set-off or counterclaim it may have against the Borrower and to apply the amount subject to such exercise to the payment of indebtedness of the Borrower other than its indebtedness under the Loan Documents. The Borrower agrees, to the fullest extent it may effectively do so under applicable law, that any holder of a participation in a Loan acquired pursuant to the foregoing arrangements may exercise rights of set-off or counterclaim and other rights with respect to such participation as fully as if such holder of a participation were a direct creditor of the Borrower in the amount of such participation.

(b) If an Event of Default shall have occurred and be continuing, each Lender and each of its Lender Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Lender Affiliate to or for the credit or the account of the Borrower against any of and all the obligations of the Borrower now or hereafter existing under this Agreement held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such obligations may be unmatured. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of set-off) which such Lender may have.

SECTION 9.5. Amendments and Waivers. Any provision of this Agreement or any Note may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by the Borrower and the Required Lenders (and, if the rights or duties of the Administrative Agent are affected thereby, by the Administrative Agent); provided that no such amendment or waiver shall, (a) unless signed by each Lender directly affected thereby, (i) increase any Commitment of such Lender or subject such Lender to any additional obligation, (ii) reduce the principal of or rate of interest on any Committed Loan or any fees hereunder or (iii) postpone the date fixed for any payment of principal of or interest on any Committed Loan or any fees hereunder or for the termination of any Commitment or (b) unless signed by all the Lenders, change the percentage of the Lenders which shall be required for the Lenders to take any action under this Section or any other provision of the Loan Documents, and provided further that no such amendment or waiver shall reduce the principal of or rate of interest on any Money Market Loan or postpone the date fixed for any payment of principal of or interest on any Money Market Loan unless signed by the Lender which has made such Money Market Loan.

SECTION 9.6. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, provided that the Borrower may not assign or otherwise transfer any of its rights under this Agreement except as contemplated by Section 5.9 or with the prior written consent of all Lenders.

(b) Any Lender other than any Conduit Lender may at any time grant to one or more banks or other entities (each a "Participant") participating interests in any or all of its Commitments or Loans. In the event of any such grant by a Lender of a participating interest to a Participant, whether or not upon notice to the Borrower and the Administrative Agent, such Lender shall remain responsible for the performance of its obligations hereunder, and the Borrower and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement pursuant to which any Lender may grant such a participating interest shall provide that such Lender shall retain the sole right and responsibility to enforce the obligations of the Borrower hereunder including, without limitation, the right to approve any amendment, modification or waiver of any provision of this Agreement; provided that such participation agreement may provide that such Lender will not agree to any modification, amendment or waiver of this Agreement described in clause (a)(i), (ii) or (iii) of Section 9.5 without the consent of the Participant. The Borrower agrees that each Participant shall, to the extent provided in its participation agreement, be entitled to the benefits of Section 2.7 and Article 8 with respect to its participating interest. An assignment or other transfer which is not permitted by subsection (c) or (d) below shall be given effect for purposes of this Agreement only to the extent of a participating interest granted in accordance with this subsection (b).

(c) Any Lender other than any Conduit Lender may at any time assign to any Lender or Lender Affiliate or any bank or other entity (each an "Assignee") all or a portion of its rights and obligations under this Agreement, and such Assignee shall assume such rights and obligations, pursuant to an Assignment and Assumption Agreement in substantially the form of Exhibit D hereto executed by such Assignee and such transferor Lender; provided that after giving effect to such assignment to an Assignee (other than any Lender or any Lender Affiliate), (x) the Commitment (or, if the Commitments shall have terminated, the aggregate principal amount of the Loans) of the assignor Lender (together with its Lender Affiliates) shall be either zero or \$10,000,000 or more, unless otherwise agreed by the Borrower and the Administrative Agent and (y) the Commitment (or, if the Commitments shall have terminated, the aggregate principal amount of the Loans) of the Assignee (together with its Affiliates) shall be \$10,000,000 or more, unless otherwise agreed by the Borrower and the Administrative Agent. For purposes of the proviso contained in the preceding sentence, the amount described therein shall be aggregated in respect of each Lender and its Lender Affiliates, if any. Each such assignment shall be made with (and subject to) the subscribed consent of the Borrower and the Administrative Agent (which shall not, in either case, be unreasonably withheld); provided that if an Assignee is a Lender Affiliate or is a Lender immediately prior to such assignment, or if at the time an Event of Default shall have occurred and be continuing, no such consent shall be required. Upon execution and delivery of such instrument, recording of such instrument as provided in Section 2.16(a), obtainment of the foregoing required consents (if any) and payment by such Assignee to such transferor Lender of an amount equal to the purchase price agreed between such transferor Lender and such Assignee, such Assignee shall be a Lender party to this Agreement and shall have all the rights and obligations of a Lender with a Commitment (or, if the Commitments shall have terminated, Loans in an aggregate principal amount) as set forth in such instrument of assumption, and the transferor Lender shall be released from its obligations hereunder to a corresponding extent, and no further consent or action by any party shall be required. In connection with any such assignment, the transferor Lender shall pay to the Administrative Agent an administrative fee for processing such assignment in the amount of \$3,500. If the Assignee is not incorporated under the laws of the United States of America or a state thereof, it shall, prior to the first date on which interest or fees are payable hereunder for its account, deliver to the Borrower and the Administrative Agent certification as to exemption from deduction or withholding of any United States federal income taxes in accordance with Section 8.4. Notwithstanding the foregoing, any Conduit Lender may assign at any time to its designating Lender hereunder without the consent of the Borrower or the Administrative Agent any or all of the Loans it may have funded hereunder and pursuant to its designation agreement and without regard to the limitations set forth in the first sentence of this Section 9.6(c).

(d) Any Lender may at any time assign all or any portion of its rights under this Agreement to a Federal Reserve Bank. No such assignment shall release the transferor Lender from its obligations hereunder.

(e) No Assignee, Participant or other transferee of any Lender's rights shall be entitled to receive any greater payment under Section 8.3 or 8.4, (and the Borrower shall not incur any greater liability for Taxes or Other Taxes pursuant to Section 8.4), than such Lender would have been entitled to receive with respect to the rights transferred (or than the Borrower was liable for with respect to the transferor Lender), unless such transfer is made (i) by reason of the provisions of Section 8.2, 8.3 or 8.4 requiring such Lender to designate a different Applicable Lending Office under certain circumstances or (ii) at a time when the circumstances giving rise to such greater payment did not exist.

(f) Each of the Borrower, each Lender and the Administrative Agent hereby confirms that it will not institute against a Conduit Lender or join any other Person in instituting against a Conduit Lender any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding under any state bankruptcy or similar law, for one year and one day after the payment in full of the latest maturing commercial paper note issued by such Conduit Lender; provided, however, that each Lender designating any Conduit Lender hereby agrees to indemnify, save and hold harmless each other party hereto for any loss, cost, damage or expense arising out of its inability to institute such a proceeding against such Conduit Lender during such period of forbearance.

SECTION 9.7. Governing Law; Submission to Jurisdiction, WAIVER OF JURY TRIAL. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, including General Obligations Laws 5-1401 and 5-1402. The Borrower hereby submits to the nonexclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York State court sitting in New York City for purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. The Borrower irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum. EACH OF THE BORROWER, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 9.8. Counterparts; Integration; Effectiveness. (a) This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signature thereto and hereto were upon the same instrument. The Loan Documents constitute the entire agreement and understanding among the parties hereto and supersede any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

(b) This Agreement shall become effective on the date that the Administrative Agent shall have received counterparts hereof signed by each of the parties hereto (or, in the case of any party as to which an executed counterpart shall not have been received, receipt by the Administrative Agent in form satisfactory to it of telegraphic, telex, electronic mail or other written confirmation from such party of execution of a counterpart hereof by such party).

SECTION 9.9. Confidentiality. The Administrative Agent and each Lender agrees to keep any information delivered or made available by the Borrower pursuant to the Loan Documents confidential from anyone other than persons employed or retained by such Lender and its Lender Affiliates who are engaged in evaluating, approving, structuring or administering the credit facility contemplated hereby; provided that nothing herein shall prevent the Administrative Agent or any Lender from disclosing such information (a) to any other Lender or to the Administrative Agent, (b) to any other Person if reasonably incidental to the administration of the credit facility contemplated hereby, (c) upon the order of any court or administrative agency, (d) upon the request or demand of any regulatory agency or authority, (e) which had been publicly disclosed other than as a result of a disclosure by the Administrative Agent or any Lender prohibited by this Agreement, (f) in connection with any litigation to which the Administrative Agent, any Lender or its subsidiaries or Parent may be a party, (g) to the extent necessary in connection with the exercise of any remedy hereunder, (h) to such Lender's or the Administrative Agent's legal counsel and independent auditors and (i) subject to provisions substantially similar to those contained in this Section, to any actual or proposed Participant or Assignee.

SECTION 9.10. Termination. This Agreement shall terminate upon the termination of all Commitments and repayment in full of the aggregate outstanding principal amount of the Loans, accrued interest thereon, and all fees and expenses and other amounts due and payable at such time; provided that the provisions of Sections 7.6, 8.3, 8.4 and 9.3 shall survive such termination.

SECTION 9.11. Collateral. Each of the Lenders represents to the Administrative Agent and each of the other Lenders that it in good faith is not relying upon any "margin stock" (as defined in the Margin Regulations) as collateral in the extension or maintenance of the credit provided for in this Agreement. Each of the Lenders acknowledges that the proceeds of the Loans hereunder will be used as described in Section 5.10.

SECTION 9.12. Representations of Lenders. (a) Each of the Lenders represents and warrants to the Borrower that it is a corporation or association duly incorporated or organized and validly existing under the laws of its jurisdiction of incorporation or organization, as the case may be.

(b) Each of the Lenders represents and warrants to the Borrower that this Agreement constitutes a valid and binding agreement of it enforceable against it in accordance with the terms hereof subject to (i) applicable receivership, insolvency, reorganization, moratorium and other laws affecting the rights of creditors of banks or other institutions generally from time to time in effect and (ii) equitable principles of general applicability.

SECTION 9.13. USA PATRIOT Act. Each Lender which is subject to Section 326 of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), hereby notifies the Borrower that, pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Act.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

NORFOLK SOUTHERN CORPORATION

/s/ William J. Romig

By: _____

Name: William J. Romig
Title: Vice President and Treasurer

Address: Three Commercial Place
Norfolk, Va. 23510-9227

Taxpayer ID: 52-1188014

JPMORGAN CHASE BANK, as
Administrative Agent and as a Lender

/s/ Robert P. Kellas

By: _____

Name: Robert P. Kellas

Title: Vice President

CITIBANK, N.A., as
Syndication Agent and as a Lender

/s/ Carolyn A. Kee

By: _____

Name: Carolyn A. Kee

Title: Vice President

BARCLAYS BANK, PLC, as Documentation Agent and as a Lender

/s/ John Giannone

By: _____

Name: John Giannone

Title: Director

SUNTRUST BANK, as Documentation Agent and as a Lender

/s/ Thomas Parrott

By: _____

Name: Thomas Parrott

Title: Vice President



Signature page to the CREDIT AGREEMENT, dated as of August 31, 2004 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among NORFOLK SOUTHERN CORPORATION, the lenders from time to time parties thereto (the "Lenders"), JPMORGAN CHASE BANK, as administrative agent for the Lenders thereunder, CITIBANK, N.A. as syndication agent, and BARCLAYS BANK PLC, SUNTRUST BANK and WACHOVIA NATIONAL BANK, NATIONAL ASSOCIATION, as documentation agents.

WACHOVIA BANK, N.A.

/s/ Jiong Liu

By: _____
Name: Jiong Liu
Title: Vice President

Signature page to the CREDIT AGREEMENT, dated as of August 31, 2004 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among NORFOLK SOUTHERN CORPORATION, the lenders from time to time parties thereto (the "Lenders"), JPMORGAN CHASE BANK, as administrative agent for the Lenders thereunder, CITIBANK, N.A. as syndication agent, and BARCLAYS BANK PLC, SUNTRUST BANK and WACHOVIA NATIONAL BANK, NATIONAL ASSOCIATION, as documentation agents.

BANK OF TOKYO-MITSUBISHI TRUST COMPANY.

/s/ Eduardo P. Abello

By: _____
Name: Eduardo P. Abello
Title: Vice President

Signature page to the CREDIT AGREEMENT, dated as of August 31, 2004 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among NORFOLK SOUTHERN CORPORATION, the lenders from time to time parties thereto (the "Lenders"), JPMORGAN CHASE BANK, as administrative agent for the Lenders thereunder, CITIBANK, N.A. as syndication agent, and BARCLAYS BANK PLC, SUNTRUST BANK and WACHOVIA NATIONAL BANK, NATIONAL ASSOCIATION, as documentation agents.

MERILL LYNCH BANK USA

/s/ Louis Alder

By: _____
Name: Louis Alder
Title: Director

Signature page to the CREDIT AGREEMENT, dated as of August 31, 2004 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among NORFOLK SOUTHERN CORPORATION, the lenders from time to time parties thereto (the "Lenders"), JPMORGAN CHASE BANK, as administrative agent for the Lenders thereunder, CITIBANK, N.A. as syndication agent, and BARCLAYS BANK PLC, SUNTRUST BANK and WACHOVIA NATIONAL BANK, NATIONAL ASSOCIATION, as documentation agents.

PNC BANK, NATIONAL ASSOCIATION

/s/ Richard C. Munsick

By: _____
Name: Richard C. Munsick
Title: Managing Director

Signature page to the CREDIT AGREEMENT, dated as of August 31, 2004 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among NORFOLK SOUTHERN CORPORATION, the lenders from time to time parties thereto (the "Lenders"), JPMORGAN CHASE BANK, as administrative agent for the Lenders thereunder, CITIBANK, N.A. as syndication agent, and BARCLAYS BANK PLC, SUNTRUST BANK and WACHOVIA NATIONAL BANK, NATIONAL ASSOCIATION, as documentation agents.

THE BANK OF NEW YORK

/s/ David C. Siegel

By: _____
Name: David C. Siegel
Title: Vice President

Signature page to the CREDIT AGREEMENT, dated as of August 31, 2004 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among NORFOLK SOUTHERN CORPORATION, the lenders from time to time parties thereto (the "Lenders"), JPMORGAN CHASE BANK, as administrative agent for the Lenders thereunder, CITIBANK, N.A. as syndication agent, and BARCLAYS BANK PLC, SUNTRUST BANK and WACHOVIA NATIONAL BANK, NATIONAL ASSOCIATION, as documentation agents.

NORTHERN TRUST

/s/ Forrest Vollrath
By: _____
Name: Forrest Vollrath
Title: Vice President

Signature page to the CREDIT AGREEMENT, dated as of August 31, 2004 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among NORFOLK SOUTHERN CORPORATION, the lenders from time to time parties thereto (the "Lenders"), JPMORGAN CHASE BANK, as administrative agent for the Lenders thereunder, CITIBANK, N.A. as syndication agent, and BARCLAYS BANK PLC, SUNTRUST BANK and WACHOVIA NATIONAL BANK, NATIONAL ASSOCIATION, as documentation agents.

BAYERISCHE LANDESBANK

/s/ Catherine Schilling
By: _____
Name: Catherine Schilling
Title: Vice President

/s/ James H. Boyle
By: _____
Name: James H. Boyle
Title: Vice President

Signature page to the CREDIT AGREEMENT, dated as of August 31, 2004 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among NORFOLK SOUTHERN CORPORATION, the lenders from time to time parties thereto (the "Lenders"), JPMORGAN CHASE BANK, as administrative agent for the Lenders thereunder, CITIBANK, N.A. as syndication agent, and BARCLAYS BANK PLC, SUNTRUST BANK and WACHOVIA NATIONAL BANK, NATIONAL ASSOCIATION, as documentation agents.

DEUTSCHE BANK AG NEW YORK BRANCH

/s/ Wolfgang Winter
By: _____
Name: Wolfgang Winter
Title: Managing Director

/s/ Oliver Schwarz
By: _____
Name: Oliver Schwarz
Title: Vice President

Signature page to the CREDIT AGREEMENT, dated as of August 31, 2004 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among NORFOLK SOUTHERN CORPORATION, the lenders from time to time parties thereto (the "Lenders"), JPMORGAN CHASE BANK, as administrative agent for the Lenders thereunder, CITIBANK, N.A. as syndication agent, and BARCLAYS BANK PLC, SUNTRUST BANK and WACHOVIA NATIONAL BANK, NATIONAL ASSOCIATION, as documentation agents.

SUMITOMO MITSUI BANKING CORPORATION

/s/ Edward D. Henderson, Jr.
By: _____
Name: Edward D. Henderson, Jr.
Title: General Manager

Signature page to the CREDIT AGREEMENT, dated as of August 31, 2004 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among NORFOLK SOUTHERN CORPORATION, the lenders from time to time parties thereto (the "Lenders"), JPMORGAN CHASE BANK, as administrative agent for the Lenders thereunder, CITIBANK, N.A. as syndication agent, and BARCLAYS BANK PLC, SUNTRUST BANK and WACHOVIA NATIONAL BANK, NATIONAL ASSOCIATION, as documentation agents.

UFJ BANK LIMITED

/s/ John T. Feeney

By: _____
Name: John T. Feeney
Title: Vice President

Signature page to the CREDIT AGREEMENT, dated as of August 31, 2004 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among NORFOLK SOUTHERN CORPORATION, the lenders from time to time parties thereto (the "Lenders"), JPMORGAN CHASE BANK, as administrative agent for the Lenders thereunder, CITIBANK, N.A. as syndication agent, and BARCLAYS BANK PLC, SUNTRUST BANK and WACHOVIA NATIONAL BANK, NATIONAL ASSOCIATION, as documentation agents.

U.S. Bank, N.A.

/s/ Michael P. Dickman

By: _____
Name: Michael P. Dickman
Title: Assistant Vice President

COMMITMENT SCHEDULE

LENDERS	COMMITMENTS
JPMorgan Chase Bank	\$ 100,000,000.00
Citibank	\$ 100,000,000.00
Barclays Bank	\$ 80,000,000.00
SunTrust Bank	\$ 80,000,000.00
Wachovia National Bank	\$ 80,000,000.00
The Bank of Tokyo-Mitsubishi	\$ 65,000,000.00
Merrill Lynch Bank	\$ 65,000,000.00
PNC Bank	\$ 65,000,000.00
The Bank of New York	\$ 60,000,000.00
The Northern Trust Company	\$ 55,000,000.00
Bayerische Landesbank	\$ 50,000,000.00
Deutsche Bank AG New York Branch	\$ 50,000,000.00
Sumitomo Mitsui Banking Corporation	\$ 50,000,000.00
UFJ Bank Limited	\$ 50,000,000.00
US Bank	\$ 50,000,000.00
TOTAL	\$1,000,000,000.00

PRICING GRID

Status	Level I	Level II	Level III	Level IV	Level V	Level VI
Facility Fee Rate	0.080%	0.090%	0.110%	0.150%	0.175%	0.225%
Applicable Margin for Euro-Dollar Loans						
Utilization ≤ 50%	0.220%	0.310%	0.390%	0.475%	0.575%	0.775%
Utilization > 50%	0.345%	0.435%	0.515%	0.600%	0.700%	0.900%

For purposes of this Grid, the following terms have the following meanings, subject to the final paragraph of this Grid:

"Level I Status" exists at any date if, at such date, the Borrower's senior unsecured long-term debt is rated A/A2 or higher.

"Level II Status" exists at any date if, at such date, the Borrower's senior unsecured long-term debt is rated A-/A3.

"Level III Status" exists at any date if, at such date, the Borrower's senior unsecured long-term debt is rated BBB+/Baa1.

"Level IV Status" exists at any date if, at such date, the Borrower's senior unsecured long-term debt is rated BBB/Baa2.

"Level V Status" exists at any date if, at such date, the Borrower's senior unsecured long-term debt is rated BBB-/Baa3.

"Level VI Status" exists at any date if, at such date, no other Status exists.

"Moody's" means Moody's Investors Service, Inc or its successor entity.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc or its successor entity.

"Status" refers to the determination of which of Level I Status, Level II Status, Level III Status, Level IV Status, Level V Status or Level VI Status exists at any date.

"Utilization" means, at any date, the percentage equivalent of a fraction (i) the numerator of which is the aggregate outstanding principal amount of the Committed Loans at such date and (ii) the denominator of which is the aggregate amount of the Commitments at such date. If for any reason any Committed Loans remain outstanding following termination of the Commitments, Utilization shall be deemed to be in excess of 50%.

The credit ratings to be utilized for purposes of this Schedule are those assigned to the senior unsecured long-term debt securities of the Borrower without third-party credit enhancement, and any rating assigned to any other debt security of the Borrower shall be disregarded. In the event of split ratings from Moody's and S&P, (i) if the ratings are one full rating category apart, Status shall be determined by the higher of the two ratings (unless the lower of such two ratings is BB+(Ba1) or lower, in which case Status shall be determined by the lower of such two ratings) and (ii) if the ratings are more than one full rating category apart, Status shall be determined based on the rating at the midpoint between the two ratings, provided that if there is no rating at the midpoint between the two ratings, the higher of the two intermediate ratings (unless the lower of such two ratings is BB+(Ba1) or lower, in which case Status shall be determined by the lower of such two ratings) shall apply (e.g., BBB+/Baa2 results in Level III Status, BBB+/Baa3 and BBB/Baa3 both result in Level IV Status and BBB-/Ba1 results in Level V Status).