

RECORDATION NO. 15596-K FILED

AUG 17 '04

2-05 PM

SURFACE TRANSPORTATION BOARD

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

August 17, 2004

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

Re: PRR - L586

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are four (4) copies of a Memorandum of Sublease and Assignment, dated August 12, 2004, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the documents previously filed with the Board/Commission under Recordation Number 15596.

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

Sublessor/ Assignor:	Consolidated Rail Corporation 1000 Howard Boulevard Fourth Floor Mt. Laurel, NJ 08054
Sublessee:	PRR Newco, Inc. 110 Franklin Road, S.E. Roanoke, VA 24042
Guarantor:	Norfolk Southern Railway Company 110 Franklin Road, S.E. Roanoke, VA 24042
[Assignee:	U.S. Bank National Association]

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

18 locomotives PRR 4800 – PRR 4817 (formerly within the series CR 5063 – CR 5089).

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

**Memorandum of Sublease and Assignment**

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/anr  
Enclosures

MEMORANDUM OF SUBLEASE AND ASSIGNMENT PRR-L586, by

CONSOLIDATED RAIL CORPORATION ("Conrail")  
1000 Howard Boulevard, Fourth Floor  
Mt. Laurel, New Jersey 08054

RECORDATION NO.

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FILED

PRR NEWCO, INC. (the "Company")  
110 Franklin Road, S.E.  
Roanoke, Virginia 24042

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SURFACE TRANSPORTATION BOARD

and

NORFOLK SOUTHERN RAILWAY COMPANY (the "Railroad")  
110 Franklin Road, S.E.  
Roanoke, Virginia 24042

Conrail is leasing certain units of railroad equipment pursuant to the agreement identified in Schedule A hereto as the "**Senior Lease**" with the party named in Schedule A hereto as the "**Senior Lessor**," which agreement was recorded with the Interstate Commerce Commission and assigned the recordation number shown on said Schedule A.

The Senior Lessor has assigned the Senior Lease to the party named as "**Security Trustee**" in Schedule A hereto pursuant to the agreement identified as the "**Security Agreement**" in said Schedule A, which agreement was recorded with the Interstate Commerce Commission and assigned the recordation number shown on said Schedule A.

The parties hereto hereby wish to evidence for the public record the following transactions with respect to such units of the railroad equipment covered by the above-named agreements as are listed in Schedule B hereto:

1. The Sublease of Railroad Equipment PRR-L586 between Conrail, sublessor, and the Company, sublessee.
2. The assumption of the obligations of the Company as sublessee under the above-named sublease by the Railroad, pursuant to the Assumption Agreement PRR-L586 by the Railroad in favor of Conrail.
3. The assignment by Conrail, assignor, of the sublease named in item 1 to the Senior Lessor, assignee, as security for Conrail's obligations under the Senior Lease, pursuant to the Assignment of Sublease PRR-L586 by Conrail in favor of the Senior Lessor.

4. The reassignment by the Senior Lessor, assignor, of the sublease named in item 1 to the Security Trustee, assignee, as additional security for the Senior Lessor's obligations under the Security Agreement pursuant to the Reassignment of Sublease PRR-L586 by the Senior Lessor in favor of the Security Trustee.

5. The assignment by the Railroad, assignor, of its subleasehold interest under sublease named in item 1 to CSX Transportation, Inc., assignee, pursuant to the Cross-Assignment of Lease and Agreement among such parties and Conrail, as security for the Railroad's obligations for reimbursement thereunder.

IN WITNESS WHEREOF, the parties hereto have each caused this memorandum to be duly executed by their respective officers thereunto duly authorized:

CONSOLIDATED RAIL CORPORATION

by *John R. ...*

PRR NEWCO, INC

by *William J. Ring...*

NORFOLK SOUTHERN RAILWAY COMPANY

by *William J. Ring*

STATE OF NEW YORK )  
 ) SS.:  
COUNTY OF NEW YORK )

On this 14th day of August, 2004, before me personally appeared Joseph Kosars, to me personally known, who, by me being duly sworn, says that he is CFO & Treasurer of CONSOLIDATED RAIL CORPORATION, and that the foregoing instrument was signed on behalf of said corporation by authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

*Cirila Stephens*  
Notary Public

My commission expires

STATE OF NEW YORK  
COUNTY OF NEW YORK

CIRILA STEPHENS  
NOTARY PUBLIC, State of New York  
No. 01ST6088536  
Qualified in Kings County  
Commission Expires March 3, 2007

On this 12th day of August, 2004, before me personally appeared William P. Romig, to me personally known, who, by me being duly sworn, says that he is V.P. and Treasurer of PRR NEWCO, INC., and that the foregoing instrument was signed on behalf of said corporation by authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

*Dwayne DeFreitas*  
Notary Public

My commission expires

STATE OF NEW YORK )  
 ) SS.:  
COUNTY OF NEW YORK )

DWAYNE DeFREITAS  
NOTARY PUBLIC, State of New York  
No. 01DE6097123  
Qualified in Kings County  
Commission Expires Aug. 18, 2007

On this 12th day of August, 2004, before me personally appeared William P. Romig, to me personally known, who, by me being duly sworn, says that he is V.P. and Treasurer of NORFOLK SOUTHERN RAILWAY COMPANY, and that the foregoing instrument was signed on behalf of said corporation by authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

*Dwayne DeFreitas*  
Notary Public

My commission expires

DWAYNE DeFREITAS  
NOTARY PUBLIC, State of New York  
No. 01DE6097123  
Qualified in Kings County  
Commission Expires Aug. 18, 2007

SCHEDULE A  
SENIOR TRANSACTION L586

**Senior Lease:**

Lease Agreement #1 dated as of April 1, 1988, as amended, between The Connecticut National Bank (succeeded by U.S. Bank National Association), not in its individual capacity but solely as owner trustee, and Consolidated Rail Corporation.

Recorded with the Interstate Commerce Commission on April 22, 1988, and assigned recordation number 15596.

**Senior Lessor:**

U.S. Bank National Association (successor to The Connecticut National Bank), not in its individual capacity but solely as owner trustee

**Security Agreement**

Equipment Trust Agreement #1 dated as of April 1, 1988, as amended, between between The Connecticut National Bank (succeeded by U.S. Bank National Association), not in its individual capacity but solely as owner trustee, and Mercantile-Safe Deposit and Trust Company (succeeded by The Bank of New York).

Recorded with the Interstate Commerce Commission on April 22, 1988, and assigned recordation number 15596.

**Security Trustee:**

The Bank of New York, successor to Mercantile-Safe Deposit and Trust Company, not in its individual capacity but solely as equipment trust trustee.

**Schedule "B" Equipment**  
**Lease L586**

**Description: B40 -8 Locomotives**

<b>Count</b>	<b>Original Locomotive Unit Numbers</b>	<b>Current Locomotive Unit Numbers</b>
1	5063	PRR 4800
2	5064	PRR 4801
3	5066	PRR 4802
4	5067	PRR 4803
5	5068	PRR 4804
6	5069	PRR 4805
7	5072	PRR 4806
8	5073	PRR 4807
9	5077	PRR 4808
10	5078	PRR 4809
11	5079	PRR 4810
12	5081	PRR 4811
13	5082	PRR 4812
14	5083	PRR 4813
15	5084	PRR 4814
16	5085	PRR 4815
17	5088	PRR 4816
18	5089	PRR 4817
<b>18 Total Units</b>		