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ELIAS C. ALVORD (1942)
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RECORDATION NO. 19113-D FILED

AUG 17 '04

2-4 5 PM

SURFACE TRANSPORTATION BOARD

OF COUNSEL
URBAN A. LESTER

August 17, 2004

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

Re: PRR – N1794

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 19113.

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:	Wachovia Bank 301 S. Tryon Street Charlotte, NC 28288]

Mr. Vernon A. Williams
August 17, 2004
Page Two

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

32 boxcars within the series CR 279755 – CR 282806 and NYC 282802; and
454 hopper cars within the series CR 496160 – CR 497074.

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

RECORDATION NO.

19113-D FILED

AUG 17 '04

2-45 PM

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF SUBLEASE AND ASSIGNMENT PRR-N1794, by

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

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

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-N1794 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-N1794 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-N1794 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-N1794 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 *Joseph P. Ryan*

PRR NEWCO, INC

by *William J. Roan*
Vice President and Treasurer

NORFOLK SOUTHERN RAILWAY COMPANY

by *William J. Roan*

Witnessed and attested to the presence of the undersigned

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

On this 12 day of August, 2004, before me personally appeared Joseph Rogers, to me personally known, who, by me being duly sworn, says that he is 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.

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

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

On this 12 day of August, 2004, before me personally appeared William Romig, to me personally known, who, by me being duly sworn, says that he is VP, 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.

Matthew Buchwald
Notary Public

My commission expires

MATTHEW BUCHWALD
NOTARY PUBLIC, State of New York
No. 01BU5030377
Qualified in Queens County
Commission Expires July 11, 2006

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

On this 12 day of August, 2004, before me personally appeared William Romig, to me personally known, who, by me being duly sworn, says that he is VP, 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.

Matthew Buchwald
Notary Public

My commission expires

MATTHEW BUCHWALD
NOTARY PUBLIC, State of New York
No. 01BU5030377
Qualified in Queens County
Commission Expires July 11, 2006

SCHEDULE A
SENIOR TRANSACTION N1794

Senior Lease:

Lease Agreement dated as of December 22, 1994, as amended, between Meridian Trust Company (succeeded by Wachovia Bank, National Association), not in its individual capacity but solely as owner trustee, and Consolidated Rail Corporation.

Recorded with the Interstate Commerce Commission on December 22, 1994, and assigned recordation number 19113.

Senior Lessor:

Wachovia Bank, National Association (successor to Meridian Trust Company), not in its individual capacity but solely as owner trustee.

Security Agreement:

Trust Indenture and Security Agreement dated as of December 22, 1994, as amended, between Meridian Trust Company (succeeded by Wachovia Bank, National Association), not in its individual capacity but solely as owner trustee, and Wilmington Trust Company.

Recorded with the Interstate Commerce Commission on December 22, 1994, and assigned recordation number 19113.

Security Trustee:

Wilmington Trust Company, not in its individual capacity but solely as trustee under the security agreement specified above.

Schedule B Equipment (PRR)
Lease N1794

(page 1 of 6)

Cat II 60 Ft Boxcars

Count	CarInt	CarNum
1	CR	279755
2	CR	279757
3	CR	279804
4	CR	220770
5	CR	220772
6	CR	221095
7	CR	221221
8	CR	222401
9	CR	275177
10	CR	279470
11	CR	279472
12	CR	279484
13	CR	279492
14	CR	279585
15	CR	279647
16	CR	279732
17	CR	279775
18	CR	279807
19	CR	279828
20	CR	279860
21	CR	281422
22	CR	281425
23	CR	281436
24	CR	281440
25	CR	281444
26	CR	281461
27	CR	281464
28	CR	281477
29	CR	281509
30	CR	281558
31	NYC	282802
32	CR	282806
32	Total 60' Boxcars	

Cat I O.T. Quad Hoppers

Count	CarInt	CarNum
9	CR	496262
10	CR	496266
11	CR	496269
12	CR	496282
13	CR	496298
14	CR	496299
15	CR	496300
16	CR	496303
17	CR	496305
18	CR	496306
19	CR	496307
20	CR	496308
21	CR	496309
22	CR	496310
23	CR	496311
24	CR	496312
25	CR	496315
26	CR	496318
27	CR	496319
28	CR	496320
29	CR	496321
30	CR	496322
31	CR	496324
32	CR	496326
33	CR	496327
34	CR	496330
35	CR	496334
36	CR	496335
37	CR	496337
38	CR	496339
39	CR	496340
40	CR	496342
41	CR	496344
42	CR	496345
43	CR	496347
44	CR	496348
45	CR	496349
46	CR	496350
47	CR	496351
48	CR	496352
49	CR	496355
50	CR	496356
51	CR	496357

Cat I O.T. Quad Hoppers

1	CR	496377
2	CR	496709
3	CR	496945
4	CR	496160
5	CR	496190
6	CR	496199
7	CR	496231
8	CR	496252

Schedule B Equipment (PRR)
Lease N1794

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Cat I	O.T.	Quad Hoppers	
Count	CarInt	CarNum	
52	CR	496358	
53	CR	496359	
54	CR	496361	
55	CR	496363	
56	CR	496365	
57	CR	496366	
58	CR	496369	
59	CR	496370	
60	CR	496372	
61	CR	496373	
62	CR	496374	
63	CR	496378	
64	CR	496380	
65	CR	496381	
66	CR	496382	
67	CR	496383	
68	CR	496388	
69	CR	496393	
70	CR	496398	
71	CR	496399	
72	CR	496400	
73	CR	496401	
74	CR	496402	
75	CR	496403	
76	CR	496406	
77	CR	496407	
78	CR	496410	
79	CR	496411	
80	CR	496412	
81	CR	496414	
82	CR	496415	
83	CR	496418	
84	CR	496421	
85	CR	496422	
86	CR	496423	
87	CR	496424	
88	CR	496425	
89	CR	496426	
90	CR	496427	
91	CR	496428	
92	CR	496430	
93	CR	496431	
94	CR	496432	

Cat I	O.T.	Quad Hoppers	
Count	CarInt	CarNum	
95	CR	496434	
96	CR	496435	
97	CR	496436	
98	CR	496437	
99	CR	496439	
100	CR	496440	
101	CR	496441	
102	CR	496442	
103	CR	496443	
104	CR	496448	
105	CR	496451	
106	CR	496452	
107	CR	496454	
108	CR	496455	
109	CR	496460	
110	CR	496461	
111	CR	496464	
112	CR	496465	
113	CR	496466	
114	CR	496467	
115	CR	496468	
116	CR	496469	
117	CR	496472	
118	CR	496473	
119	CR	496478	
120	CR	496479	
121	CR	496480	
122	CR	496482	
123	CR	496483	
124	CR	496484	
125	CR	496487	
126	CR	496488	
127	CR	496490	
128	CR	496492	
129	CR	496494	
130	CR	496495	
131	CR	496499	
132	CR	496500	
133	CR	496503	
134	CR	496505	
135	CR	496506	
136	CR	496508	
137	CR	496510	

Schedule B Equipment (PRR)
Lease N1794

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Cat I	O.T.	Quad Hoppers	
Count	CarInt	CarNum	
138	CR	496512	
139	CR	496513	
140	CR	496515	
141	CR	496516	
142	CR	496517	
143	CR	496518	
144	CR	496519	
145	CR	496520	
146	CR	496523	
147	CR	496524	
148	CR	496525	
149	CR	496527	
150	CR	496529	
151	CR	496530	
152	CR	496531	
153	CR	496532	
154	CR	496534	
155	CR	496536	
156	CR	496537	
157	CR	496538	
158	CR	496540	
159	CR	496541	
160	CR	496542	
161	CR	496543	
162	CR	496544	
163	CR	496548	
164	CR	496551	
165	CR	496553	
166	CR	496556	
167	CR	496557	
168	CR	496559	
169	CR	496560	
170	CR	496561	
171	CR	496564	
172	CR	496571	
173	CR	496572	
174	CR	496573	
175	CR	496575	
176	CR	496576	
177	CR	496577	
178	CR	496578	
179	CR	496579	
180	CR	496580	

Cat I	O.T.	Quad Hoppers	
Count	CarInt	CarNum	
181	CR	496581	
182	CR	496587	
183	CR	496589	
184	CR	496591	
185	CR	496594	
186	CR	496597	
187	CR	496598	
188	CR	496599	
189	CR	496600	
190	CR	496601	
191	CR	496603	
192	CR	496606	
193	CR	496611	
194	CR	496616	
195	CR	496617	
196	CR	496618	
197	CR	496619	
198	CR	496620	
199	CR	496621	
200	CR	496622	
201	CR	496624	
202	CR	496625	
203	CR	496627	
204	CR	496628	
205	CR	496629	
206	CR	496630	
207	CR	496631	
208	CR	496632	
209	CR	496633	
210	CR	496634	
211	CR	496636	
212	CR	496641	
213	CR	496642	
214	CR	496643	
215	CR	496644	
216	CR	496646	
217	CR	496647	
218	CR	496649	
219	CR	496652	
220	CR	496654	
221	CR	496655	
222	CR	496656	
223	CR	496657	

Schedule B Equipment (PRR)
Lease N1794

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Cat I	O.T.	Quad Hoppers	
Count	CarInt	CarNum	
224	CR	496658	
225	CR	496661	
226	CR	496665	
227	CR	496666	
228	CR	496667	
229	CR	496668	
230	CR	496669	
231	CR	496672	
232	CR	496678	
233	CR	496680	
234	CR	496682	
235	CR	496689	
236	CR	496690	
237	CR	496693	
238	CR	496694	
239	CR	496695	
240	CR	496699	
241	CR	496701	
242	CR	496702	
243	CR	496705	
244	CR	496706	
245	CR	496707	
246	CR	496708	
247	CR	496710	
248	CR	496712	
249	CR	496714	
250	CR	496715	
251	CR	496716	
252	CR	496720	
253	CR	496721	
254	CR	496722	
255	CR	496724	
256	CR	496725	
257	CR	496729	
258	CR	496730	
259	CR	496731	
260	CR	496732	
261	CR	496734	
262	CR	496736	
263	CR	496737	
264	CR	496739	
265	CR	496740	
266	CR	496741	

Cat I	O.T.	Quad Hoppers	
Count	CarInt	CarNum	
267	CR	496742	
268	CR	496744	
269	CR	496745	
270	CR	496748	
271	CR	496749	
272	CR	496750	
273	CR	496754	
274	CR	496755	
275	CR	496756	
276	CR	496757	
277	CR	496760	
278	CR	496761	
279	CR	496764	
280	CR	496766	
281	CR	496767	
282	CR	496769	
283	CR	496772	
284	CR	496775	
285	CR	496776	
286	CR	496777	
287	CR	496779	
288	CR	496780	
289	CR	496781	
290	CR	496785	
291	CR	496789	
292	CR	496790	
293	CR	496791	
294	CR	496792	
295	CR	496794	
296	CR	496798	
297	CR	496800	
298	CR	496802	
299	CR	496804	
300	CR	496805	
301	CR	496808	
302	CR	496809	
303	CR	496813	
304	CR	496814	
305	CR	496815	
306	CR	496816	
307	CR	496818	
308	CR	496820	
309	CR	496822	

Schedule B Equipment (PRR)
Lease N1794

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Cat I	O.T.	Quad Hoppers	
Count	CarInt	CarNum	
310	CR	496823	
311	CR	496824	
312	CR	496825	
313	CR	496826	
314	CR	496827	
315	CR	496828	
316	CR	496829	
317	CR	496835	
318	CR	496837	
319	CR	496838	
320	CR	496839	
321	CR	496840	
322	CR	496841	
323	CR	496842	
324	CR	496843	
325	CR	496844	
326	CR	496846	
327	CR	496847	
328	CR	496848	
329	CR	496849	
330	CR	496851	
331	CR	496852	
332	CR	496853	
333	CR	496854	
334	CR	496859	
335	CR	496860	
336	CR	496864	
337	CR	496865	
338	CR	496867	
339	CR	496870	
340	CR	496871	
341	CR	496872	
342	CR	496873	
343	CR	496874	
344	CR	496876	
345	CR	496877	
346	CR	496880	
347	CR	496882	
348	CR	496883	
349	CR	496884	
350	CR	496885	
351	CR	496886	
352	CR	496887	

Cat I	O.T.	Quad Hoppers	
Count	CarInt	CarNum	
353	CR	496888	
354	CR	496889	
355	CR	496890	
356	CR	496891	
357	CR	496892	
358	CR	496893	
359	CR	496896	
360	CR	496902	
361	CR	496904	
362	CR	496906	
363	CR	496911	
364	CR	496912	
365	CR	496914	
366	CR	496915	
367	CR	496922	
368	CR	496923	
369	CR	496924	
370	CR	496926	
371	CR	496927	
372	CR	496928	
373	CR	496929	
374	CR	496930	
375	CR	496932	
376	CR	496938	
377	CR	496941	
378	CR	496946	
379	CR	496947	
380	CR	496948	
381	CR	496949	
382	CR	496952	
383	CR	496954	
384	CR	496957	
385	CR	496959	
386	CR	496962	
387	CR	496964	
388	CR	496965	
389	CR	496966	
390	CR	496969	
391	CR	496970	
392	CR	496971	
393	CR	496972	
394	CR	496973	
395	CR	496976	

Schedule B Equipment (PRR)
Lease N1794

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Cat I	O.T.	Quad Hoppers	
Count	CarInt	CarNum	
396	CR	496978	
397	CR	496981	
398	CR	496982	
399	CR	496983	
400	CR	496984	
401	CR	496986	
402	CR	496989	
403	CR	496990	
404	CR	496991	
405	CR	496992	
406	CR	496993	
407	CR	496994	
408	CR	496996	
409	CR	496997	
410	CR	496999	
411	CR	497003	
412	CR	497004	
413	CR	497005	
414	CR	497008	
415	CR	497010	
416	CR	497011	
417	CR	497012	
418	CR	497014	
419	CR	497019	
420	CR	497021	
421	CR	497023	
422	CR	497024	
423	CR	497028	
424	CR	497029	
425	CR	497032	
426	CR	497035	
427	CR	497036	
428	CR	497037	
429	CR	497038	
430	CR	497040	
431	CR	497041	
432	CR	497042	
433	CR	497043	
434	CR	497044	
435	CR	497046	
436	CR	497047	
437	CR	497048	
438	CR	497050	

Cat I	O.T.	Quad Hoppers	
Count	CarInt	CarNum	
439	CR	497053	
440	CR	497054	
441	CR	497055	
442	CR	497056	
443	CR	497057	
444	CR	497058	
445	CR	497060	
446	CR	497062	
447	CR	497065	
448	CR	497066	
449	CR	497067	
450	CR	497068	
451	CR	497070	
452	CR	497072	
453	CR	497073	
454	CR	497074	
454	Total O.T.	Quad Hoppers	