RECORDATION NO. 19489-E FILED

AUG 17 '04 3-15 PM

SURFACE TRANSPORTATION BOARD

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OF COUNSEL
URBAN A. LESTER

August 17, 2004

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

Re: PRR – L195Z

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 19489.

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:	Wilmington Trust Company]

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

443 open top hopper cars bearing CR and NYC reporting marks and road numbers within the series 497439 – 498174; and 8 locomotives PRR 6717 – PRR 6724 (formerly within the series CR 5577 – CR 5587).

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. 19489-E FILED

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF SUBLEASE AND ASSIGNMENT PRR-L195Z, 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 Surface Transportation Board 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-L195Z 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-L195Z 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-L195Z by Conrail in favor of the Senior Lessor.

4. 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 .....

PRR NEWCO, INC

by .....

NORFOLK SOUTHERN RAILWAY COMPANY

by .....

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

On this 12TH day of AUGUST, 2004, before me personally appeared Joseph Rogers, 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.

MAURICE I. MICHAANE
NOTARY PUBLIC, State of New York
No. 01MI6101194
Qualified in New York County
Commission Expires Nov. 10, 2007

Notary Public

My commission expires

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

On this 12th day of August, 2004, before me personally appeared William P. Remig, to me personally known, who, by me being duly sworn, says that he is V.P. & 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.

MAURICE I. MICHAANE
NOTARY PUBLIC, State of New York
No. 01MI6101194
Qualified in New York County
Commission Expires Nov. 10, 2007

Notary Public

My commission expires

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

On this 12th day of AUGUST, 2004, before me personally appeared William P. Remig, to me personally known, who, by me being duly sworn, says that he is V.P. & 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.

MAURICE I. MICHAANE
NOTARY PUBLIC, State of New York
No. 01MI6101194
Qualified in New York County
Commission Expires Nov. 10, 2007

Notary Public

My commission expires

SCHEDULE A
SENIOR TRANSACTION L195Z

Senior Lease:

Trust Indenture and Security Agreement (Conrail 1995A-Z) dated as of June 27, 1995, between Consolidated Rail Corporation and Wilmington Trust Company, as amended.

Recorded with the Surface Transportation Board on June 27, 1995, and assigned recordation number 19489.

Senior Lessor:

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

Schedule "B" Equipment
ETC 695 PRR

Count	Car Int	CarNum	Count	Car Int	CarNum	Count	Car Int	CarNum
Open Top Hoppers								
1	CR	497439	43	CR	497499	85	CR	497581
2	CR	497552	44	CR	497500	86	CR	497582
3	CR	497427	45	CR	497501	87	CR	497585
4	CR	497429	46	CR	497502	88	CR	497587
5	CR	497430	47	CR	497503	89	CR	497590
6	CR	497431	48	CR	497511	90	CR	497591
7	CR	497433	49	CR	497514	91	CR	497592
8	CR	497434	50	CR	497516	92	CR	497593
9	CR	497435	51	CR	497517	93	CR	497594
10	CR	497441	52	CR	497518	94	CR	497595
11	CR	497443	53	NYC	497519	95	CR	497596
12	CR	497444	54	CR	497520	96	CR	497597
13	CR	497445	55	CR	497521	97	CR	497600
14	CR	497454	56	CR	497523	98	CR	497601
15	CR	497455	57	CR	497526	99	CR	497606
16	CR	497457	58	CR	497530	100	CR	497608
17	CR	497459	59	CR	497531	101	CR	497609
18	CR	497460	60	CR	497533	102	CR	497611
19	CR	497463	61	CR	497534	103	CR	497612
20	CR	497464	62	CR	497539	104	CR	497613
21	CR	497468	63	CR	497540	105	CR	497614
22	CR	497469	64	CR	497541	106	CR	497615
23	CR	497470	65	CR	497542	107	CR	497616
24	CR	497474	66	CR	497543	108	CR	497617
25	CR	497475	67	CR	497544	109	CR	497618
26	CR	497476	68	CR	497545	110	CR	497619
27	CR	497478	69	CR	497546	111	CR	497620
28	CR	497479	70	CR	497548	112	CR	497621
29	CR	497480	71	CR	497553	113	CR	497622
30	NYC	497481	72	CR	497554	114	CR	497623
31	CR	497482	73	CR	497555	115	CR	497624
32	CR	497483	74	CR	497557	116	CR	497625
33	CR	497484	75	CR	497559	117	CR	497628
34	CR	497485	76	CR	497561	118	CR	497629
35	CR	497486	77	CR	497563	119	CR	497631
36	CR	497487	78	CR	497564	120	CR	497632
37	CR	497491	79	CR	497572	121	CR	497633
38	CR	497493	80	CR	497574	122	CR	497634
39	CR	497494	81	CR	497576	123	CR	497638
40	CR	497495	82	CR	497577	124	CR	497639
41	CR	497497	83	CR	497578	125	CR	497643
42	CR	497498	84	CR	497579	126	CR	497645

Scheaule "B" Equipment
ETC 695 PRR

Count	Car Int	CarNum	Count	Car Int	CarNum	Count	Car Int	CarNum
127	CR	497646	171	CR	497716	215	CR	497798
128	CR	497647	172	CR	497717	216	CR	497801
129	CR	497648	173	CR	497718	217	CR	497802
130	CR	497649	174	CR	497719	218	CR	497805
131	CR	497650	175	CR	497720	219	CR	497807
132	CR	497654	176	CR	497721	220	CR	497808
133	CR	497655	177	CR	497723	221	CR	497809
134	CR	497657	178	CR	497726	222	NYC	497810
135	CR	497659	179	CR	497729	223	CR	497811
136	CR	497661	180	CR	497730	224	CR	497814
137	CR	497662	181	CR	497731	225	CR	497816
138	CR	497663	182	CR	497732	226	CR	497818
139	CR	497666	183	CR	497735	227	CR	497819
140	CR	497668	184	CR	497740	228	CR	497820
141	CR	497669	185	CR	497745	229	CR	497824
142	CR	497670	186	CR	497749	230	CR	497825
143	CR	497672	187	CR	497750	231	CR	497828
144	CR	497673	188	CR	497753	232	CR	497830
145	CR	497674	189	CR	497757	233	CR	497832
146	CR	497675	190	CR	497758	234	CR	497834
147	CR	497676	191	CR	497762	235	CR	497836
148	CR	497677	192	CR	497763	236	CR	497837
149	CR	497678	193	CR	497766	237	CR	497838
150	CR	497679	194	NYC	497767	238	CR	497839
151	CR	497682	195	CR	497768	239	CR	497841
152	CR	497683	196	CR	497770	240	CR	497843
153	CR	497685	197	CR	497772	241	CR	497845
154	CR	497687	198	CR	497773	242	CR	497846
155	CR	497688	199	CR	497774	243	NYC	497848
156	CR	497689	200	NYC	497775	244	CR	497850
157	CR	497691	201	CR	497777	245	CR	497852
158	CR	497693	202	CR	497778	246	CR	497853
159	CR	497694	203	CR	497779	247	CR	497854
160	CR	497696	204	CR	497781	248	CR	497855
161	CR	497697	205	CR	497783	249	CR	497859
162	CR	497699	206	CR	497784	250	CR	497860
163	CR	497702	207	CR	497785	251	CR	497862
164	CR	497704	208	CR	497786	252	CR	497864
165	CR	497705	209	CR	497787	253	CR	497866
166	CR	497709	210	CR	497788	254	CR	497868
167	CR	497710	211	CR	497789	255	CR	497869
168	CR	497712	212	CR	497790	256	CR	497871
169	CR	497713	213	CR	497791	257	CR	497872
170	NYC	497714	214	CR	497797	258	CR	497873

Scheaule "B" Equipment
ETC 695 PRR

Count	Car Int	CarNum	Count	Car Int	CarNum	Count	Car Int	CarNum
259	CR	497875	303	CR	497938	347	CR	498015
260	CR	497877	304	CR	497939	348	CR	498016
261	CR	497878	305	CR	497940	349	CR	498020
262	CR	497879	306	CR	497941	350	CR	498022
263	CR	497880	307	CR	497942	351	CR	498024
264	CR	497881	308	CR	497943	352	CR	498025
265	CR	497883	309	CR	497945	353	CR	498027
266	CR	497885	310	CR	497950	354	CR	498030
267	CR	497886	311	CR	497956	355	CR	498031
268	CR	497888	312	CR	497958	356	CR	498032
269	CR	497893	313	CR	497961	357	CR	498033
270	CR	497894	314	CR	497962	358	CR	498034
271	CR	497895	315	CR	497964	359	CR	498035
272	CR	497897	316	CR	497965	360	CR	498039
273	CR	497898	317	CR	497966	361	CR	498041
274	CR	497899	318	CR	497968	362	CR	498042
275	CR	497900	319	CR	497969	363	CR	498045
276	CR	497901	320	CR	497975	364	CR	498047
277	CR	497902	321	CR	497976	365	CR	498048
278	CR	497904	322	CR	497977	366	CR	498049
279	CR	497906	323	CR	497979	367	CR	498050
280	CR	497907	324	CR	497980	368	CR	498052
281	CR	497909	325	CR	497981	369	CR	498053
282	CR	497910	326	CR	497982	370	CR	498054
283	CR	497912	327	CR	497983	371	CR	498056
284	CR	497913	328	CR	497984	372	CR	498057
285	CR	497914	329	CR	497985	373	CR	498058
286	CR	497916	330	CR	497988	374	CR	498059
287	CR	497917	331	CR	497989	375	CR	498060
288	CR	497918	332	CR	497992	376	CR	498061
289	CR	497920	333	CR	497993	377	CR	498062
290	CR	497922	334	NYC	497994	378	CR	498064
291	CR	497923	335	CR	497995	379	CR	498065
292	CR	497924	336	CR	497996	380	CR	498067
293	CR	497925	337	CR	497997	381	CR	498069
294	CR	497926	338	CR	497999	382	CR	498070
295	CR	497928	339	CR	498000	383	CR	498071
296	CR	497929	340	CR	498002	384	CR	498073
297	CR	497930	341	CR	498005	385	CR	498074
298	CR	497931	342	CR	498006	386	CR	498075
299	CR	497932	343	CR	498008	387	CR	498078
300	CR	497933	344	CR	498009	388	CR	498079
301	CR	497934	345	CR	498011	389	CR	498081
302	CR	497936	346	CR	498013	390	CR	498086

Scheaule "B" Equipment
ETC 695 PRR

Count	Car Int	CarNum	Count	Car Int	CarNum	Count	Car Int	CarNum
391	CR	498087	435	CR	498161			
392	CR	498090	436	CR	498162			
393	CR	498091	437	CR	498163			
394	CR	498092	438	CR	498164			
395	CR	498093	439	CR	498168			
396	CR	498095	440	CR	498169			
397	CR	498097	441	CR	498170			
398	CR	498098	442	CR	498173			
399	CR	498099	443	CR	498174			
400	CR	498100		**443 Total Open Top Hoppers**				
401	CR	498102						
402	CR	498103						
403	CR	498104						
404	CR	498105						
405	CR	498109						
406	CR	498111						
407	CR	498112						
408	CR	498113						
409	CR	498114						
410	CR	498115						
411	CR	498116						
412	CR	498117						
413	CR	498120						
414	CR	498124						
415	CR	498126						
416	CR	498127						
417	CR	498130						
418	CR	498131						
419	CR	498132						
420	CR	498133						
421	CR	498134						
422	CR	498135						
423	CR	498136						
424	CR	498138						
425	CR	498142						
426	NYC	498143						
427	CR	498144						
428	CR	498150						
429	CR	498151						
430	CR	498153						
431	CR	498155						
432	CR	498156						
433	CR	498157						
434	CR	498160						

Schedule "B" Equipment
ETC 695 PRR

Locomotive Units

Count	Description	Original Unit Initial	Original Unit Number	Current Unit Initial	Current Unit Number
1	SD 60I Locos	CR	005577	PRR	6717
2	SD 60I Locos	CR	005578	PRR	6718
3	SD 60I Locos	CR	005580	PRR	6719
4	SD 60I Locos	CR	005581	PRR	6720
5	SD 60I Locos	CR	005582	PRR	6721
6	SD 60I Locos	CR	005584	PRR	6722
7	SD 60I Locos	CR	005586	PRR	6723
8	SD 60I Locos	CR	005587	PRR	6724
8 Total SD 60I Locomotive Units					