RECORDATION NO. 20035-I FILED

AUG 17 '04 3-35 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 – L196Y

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 20035.

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:	Silver Locomotive Lease Co., Ltd.]

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

9 locomotives PRR 7207 – PRR 7215 (formerly within the series CR 4114 – CR 4127)

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

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF SUBLEASE AND ASSIGNMENT PRR-L196Y, 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 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 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-L196Y 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-L196Y 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-L196Y 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-L196Y 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 .....

PRR NEWCO, INC

by .....

William J. Romig
Vice President and Treasurer

NORFOLK SOUTHERN RAILWAY COMPANY

by .....

William J. Romig
Vice President and Treasurer

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

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 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 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.

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)
) SS.:
COUNTY OF NEW YORK)

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.

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 L196Y

Senior Lease:

Lease Agreement (Conrail 1996A-Y) dated as of April 30, 1996, between Consolidated Rail Corporation and Silver Locomotive Lease Co., Ltd., as amended.

Recorded with the Surface Transportation Board on April 30, 1996, and assigned recordation number 20035.

Senior Lessor:

Silver Locomotive Lease Co., Ltd.

Security Agreement:

Trust Indenture and Security Agreement (Conrail 1996A-Y) dated as of April 30, 1996, among Silver Locomotive Lease Co., Ltd., Consolidated Rail Corporation, and Wilmington Trust Company, as amended.

Recorded with the Surface Transportation Board on April 30, 1996, and assigned recordation number 20035.

Security Trustee:

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

Schedule "B" Equipment

Silver
SD80MAC Locomotives

	Original		Current	
Count	**Initial**	**Unit Number**	**Initial**	**Unit Number**
1	CR	4114	PRR	7207
2	CR	4115	PRR	7208
3	CR	4117	PRR	7209
4	CR	4118	PRR	7210
5	CR	4119	PRR	7211
6	CR	4120	PRR	7212
7	CR	4123	PRR	7213
8	CR	4126	PRR	7214
9	CR	4127	PRR	7215