

RECORDATION NO. 14635-E FILED

AUG 19 '04 8-34 AM

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 - N575

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 14635.

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
[Senior Lessor/ Assignee:	National City Bank of Kentucky]

Mr. Vernon A. Williams
August 17, 2004
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A description of the railroad equipment covered by the enclosed document is:

38 gondolas within the series CR 582600 – CR 582699.

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/anm
Enclosures

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF SUBLEASE AND ASSIGNMENT PRR-N575, 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 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-N575 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-N575 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-N575 by Conrail in favor of the Senior Lessor.

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 *J. H. Pitzer*

PRR NEWCO, INC

by *William F. Ranz*

NORFOLK SOUTHERN RAILWAY COMPANY

by *William F. Ranz*

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.

KATHY QUIJJE
NOTARY PUBLIC, State of New York
No. U01QU6069195
Qualified in New York County
My commission expires Jan. 22, 2006

...*Kathy Quijje*...
Notary Public

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

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

My commission expires

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

...*John F. Norwell*...
Notary Public

JOHN F. NORWELL
Notary Public, State of New York
No. 01NO6062376
Qualified in New York County
Commission Expires Aug. 6, 2005

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

My commission expires

...*John F. Norwell*...
Notary Public

JOHN F. NORWELL
Notary Public, State of New York
No. 01NO6062376
Qualified in New York County
Commission Expires Aug. 6, 2005

SCHEDULE A
SENIOR TRANSACTION N575

Senior Lease:

Lease Agreement dated as of April 19, 1985, and supplements thereto, as amended, between Consolidated Rail Corporation and GFC Leasing Corporation (succeeded by National City Bank of Kentucky).

Recorded with the Interstate Commerce Commission on April 24, 1985, and assigned recordation number 14635.

Senior Lessor:

National City Bank of Kentucky

Schedule "B" Equipment

Lease N575(PRR)

Count	CarInt	CarNum
100 TON MILL GONDOLA		
1	CR	582600
2	CR	582601
3	CR	582605
4	CR	582606
5	CR	582608
6	CR	582609
7	CR	582610
8	CR	582613
9	CR	582614
10	CR	582615
11	CR	582616
12	CR	582624
13	CR	582626
14	CR	582627
15	CR	582630
16	CR	582631
17	CR	582633
18	CR	582634
19	CR	582637
20	CR	582641
21	CR	582642
22	CR	582644
23	CR	582647
24	CR	582648
25	CR	582650
26	CR	582654
27	CR	582655
28	CR	582656
29	CR	582657
30	CR	582659
31	CR	582660
32	CR	582661
33	CR	582662
34	CR	582663
35	CR	582665
36	CR	582666
37	CR	582667
38	CR	582669

38 100 TON MILL GONDOLA