

RECORDATION NO. 12014-11 FILED

AUG 20 '04 2-00 PM

SURFACE TRANSPORTATION BOARD

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ELIAS C. ALVORD (1942)
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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 - L519

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 12014.

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:	U.S. Bank National Association]

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

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

320 gondolas within the series CR 581930 – CR 582263 (originally NYC 582063 - NYC 582064).

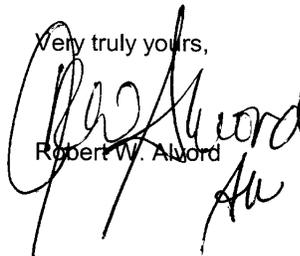
A short summary of the document to appear in the index follows:

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,

A handwritten signature in black ink, appearing to read "Robert W. Alford". The signature is stylized and written over the printed name.

Robert W. Alford

RWA/anm
Enclosures

RECORDATION NO. 12014-11 FILED

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF SUBLEASE AND ASSIGNMENT PRR-L519, 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-L519 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-L519 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-L519 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 *J. M. Boz*.....

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 12 day of AUGUST, 2004, before me personally appeared Jonathan M. Broder, to me personally known, who, by me being duly sworn, says that he is VP & General Counsel 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.

SARA A. MISTHAL
NOTARY PUBLIC, State of New York
No. 01M16100347
Qualified in Queens County

My commission expires Oct. 14, 2005


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 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.

RICHARD CROSBY THOMPSON
NOTARY PUBLIC, State of New York
No. 01TH6062508
Qualified in New York County
Commission Expires Aug. 6, 2005

My commission expires


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 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.

RICHARD CROSBY THOMPSON
NOTARY PUBLIC, State of New York
No. 01TH6062508
Qualified in New York County
Commission Expires Aug. 6, 2005

My commission expires


Notary Public

SCHEDULE A
SENIOR TRANSACTION L519

Senior Lease:

Lease of Railroad Equipment dated as of June 15, 1980, as amended, between The Connecticut Bank and Trust Company, National Association (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 July 17, 1980, and assigned recordation number 12014.

Senior Lessor:

U.S. Bank National Association, not in its individual capacity but solely as owner trustee

Schedule "B" Equipment

Lease L519 (PRR)

Count	CarInt	CarNum	Count	CarInt	CarNum	Count	CarInt	CarNum
100 TON GONDOLAS			100 TON GONDOLAS			100 TON GONDOLAS		
1	CR	581703	44	CR	581789	87	CR	581854
2	CR	581705	45	CR	581790	88	CR	581855
3	CR	581707	46	CR	581791	89	CR	581856
4	CR	581708	47	CR	581793	90	CR	581860
5	CR	581709	48	CR	581794	91	CR	581861
6	CR	581710	49	CR	581795	92	CR	581862
7	CR	581713	50	CR	581796	93	CR	581864
8	CR	581715	51	CR	581798	94	CR	581866
9	CR	581716	52	CR	581799	95	CR	581870
10	CR	581722	53	CR	581800	96	CR	581871
11	CR	581725	54	CR	581801	97	CR	581872
12	CR	581726	55	CR	581802	98	CR	581873
13	CR	581729	56	CR	581803	99	CR	581874
14	CR	581731	57	CR	581806	100	CR	581881
15	CR	581732	58	CR	581807	101	CR	581882
16	CR	581733	59	CR	581808	102	CR	581884
17	CR	581736	60	CR	581809	103	CR	581885
18	CR	581737	61	CR	581813	104	CR	581889
19	CR	581739	62	CR	581815	105	CR	581890
20	CR	581741	63	CR	581816	106	CR	581891
21	CR	581745	64	CR	581817	107	CR	581892
22	CR	581746	65	CR	581818	108	CR	581893
23	CR	581750	66	CR	581820	109	CR	581894
24	CR	581752	67	CR	581822	110	CR	581895
25	CR	581754	68	CR	581823	111	CR	581897
26	CR	581755	69	CR	581824	112	CR	581898
27	CR	581759	70	CR	581825	113	CR	581900
28	CR	581761	71	CR	581826	114	CR	581903
29	CR	581764	72	CR	581828	115	CR	581905
30	CR	581765	73	CR	581830	116	CR	581909
31	CR	581767	74	CR	581831	117	CR	581911
32	CR	581768	75	CR	581832	118	CR	581913
33	CR	581769	76	CR	581834	119	CR	581914
34	CR	581770	77	CR	581835	120	CR	581915
35	CR	581771	78	CR	581838	121	CR	581916
36	CR	581775	79	CR	581841	122	CR	581917
37	CR	581777	80	CR	581842	123	CR	581918
38	CR	581778	81	CR	581844	124	CR	581922
39	CR	581779	82	CR	581845	125	CR	581923
40	CR	581782	83	CR	581846	126	CR	581924
41	CR	581784	84	CR	581850	127	CR	581925
42	CR	581785	85	CR	581851	128	CR	581926
43	CR	581788	86	CR	581852	129	CR	581928

Count	CarInt	CarNum	Count	CarInt	CarNum	Count	CarInt	CarNum
100 TON GONDOLAS			100 TON GONDOLAS			100 TON GONDOLAS		
130	CR	581930	176	CR	582009	222	CR	582084
131	CR	581931	177	CR	582010	223	CR	582085
132	CR	581932	178	CR	582012	224	CR	582086
133	CR	581933	179	CR	582013	225	CR	582090
134	CR	581935	180	CR	582014	226	CR	582091
135	CR	581937	181	CR	582016	227	CR	582094
136	CR	581938	182	CR	582017	228	CR	582095
137	CR	581940	183	CR	582018	229	CR	582097
138	CR	581942	184	CR	582019	230	CR	582098
139	CR	581946	185	CR	582020	231	CR	582100
140	CR	581948	186	CR	582021	232	CR	582103
141	CR	581949	187	CR	582026	233	CR	582104
142	CR	581950	188	CR	582028	234	CR	582108
143	CR	581951	189	CR	582032	235	CR	582113
144	CR	581952	190	CR	582034	236	CR	582114
145	CR	581953	191	CR	582035	237	CR	582115
146	CR	581954	192	CR	582036	238	CR	582116
147	CR	581958	193	CR	582037	239	CR	582120
148	CR	581962	194	CR	582038	240	CR	582121
149	CR	581963	195	CR	582039	241	CR	582122
150	CR	581966	196	CR	582040	242	CR	582124
151	CR	581968	197	CR	582041	243	CR	582125
152	CR	581970	198	CR	582044	244	CR	582127
153	CR	581971	199	CR	582046	245	CR	582128
154	CR	581974	200	CR	582047	246	CR	582130
155	CR	581975	201	CR	582050	247	CR	582131
156	CR	581976	202	CR	582052	248	CR	582132
157	CR	581977	203	CR	582053	249	CR	582134
158	CR	581978	204	CR	582056	250	CR	582135
159	CR	581981	205	CR	582058	251	CR	582136
160	CR	581982	206	CR	582060	252	CR	582137
161	CR	581984	207	CR	582061	253	CR	582142
162	CR	581985	208	NYC	582063	254	CR	582144
163	CR	581986	209	NYC	582064	255	CR	582150
164	CR	581987	210	CR	582065	256	CR	582151
165	CR	581992	211	CR	582067	257	CR	582154
166	CR	581993	212	CR	582069	258	CR	582155
167	CR	581995	213	CR	582071	259	CR	582156
168	CR	581996	214	CR	582072	260	CR	582157
169	CR	581998	215	CR	582075	261	CR	582163
170	CR	581999	216	CR	582076	262	CR	582164
171	CR	582002	217	CR	582078	263	CR	582167
172	CR	582003	218	CR	582079	264	CR	582168
173	CR	582004	219	CR	582080	265	CR	582170
174	CR	582005	220	CR	582081	266	CR	582171
175	CR	582006	221	CR	582083	267	CR	582172

Count	CarInt	CarNum	Count	CarInt	CarNum
100 TON GONDOLAS			100 TON GONDOLAS		
268	CR	582173	314	CR	582252
269	CR	582174	315	CR	582253
270	CR	582175	316	CR	582257
271	CR	582176	317	CR	582258
272	CR	582177	318	CR	582259
273	CR	582178	319	CR	582261
274	CR	582179	320	CR	582263
275	CR	582183	320 100 TON GONDOLAS		
276	CR	582187			
277	CR	582188			
278	CR	582189			
279	CR	582190			
280	CR	582191			
281	CR	582192			
282	CR	582193			
283	CR	582194			
284	CR	582196			
285	CR	582197			
286	CR	582204			
287	CR	582206			
288	CR	582207			
289	CR	582212			
290	CR	582213			
291	CR	582217			
292	CR	582219			
293	CR	582221			
294	CR	582222			
295	CR	582223			
296	CR	582224			
297	CR	582225			
298	CR	582226			
299	CR	582227			
300	CR	582228			
301	CR	582229			
302	CR	582232			
303	CR	582234			
304	CR	582235			
305	CR	582236			
306	CR	582237			
307	CR	582238			
308	CR	582240			
309	CR	582243			
310	CR	582246			
311	CR	582248			
312	CR	582249			
313	CR	582251			