

RECORDATION NO. 19041-J FILED

AUG 20 '04

3-30 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 – ET1997

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 19041-B.

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:	Wilmington Trust Company]

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

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

12 locomotives PRR 8440 – PRR 8451.

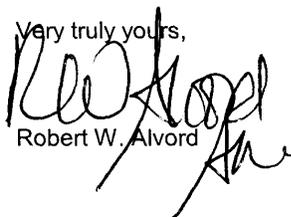
A short summary of the document to appear in the index follows:

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. Alvord". The signature is stylized and written over the printed name.

Robert W. Alvord

RWA/anm
Enclosures

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF SUBLEASE AND ASSIGNMENT PRR-ET1997, 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-ET1997 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-ET1997 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-ET1997 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 .. *Angela R. Romig* ..

PRR NEWCO, INC

by .. *William J. Romig* ..

William J. Romig
Vice President and Treasurer

NORFOLK SOUTHERN RAILWAY COMPANY

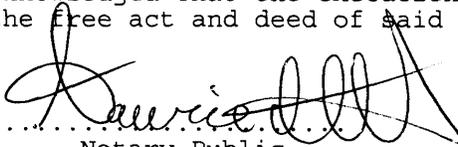
by .. *William J. Romig* ..

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.

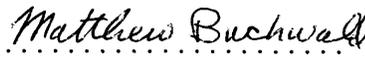
MAURICE I. MICHAANE
NOTARY PUBLIC, State of New York
No. 01M16101194
Qualified in New York County
Commission Expires Nov. 10, 2007


.....
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.

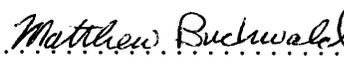

.....
Notary Public

My commission expires

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

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

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 ET1997

Senior Lease:

Equipment Trust Agreement dated as of October 15, 1994, among Wilmington Trust Company, Locomotive Management Services, and Consolidated Rail Corporation,

recorded with the Surface Transportation Board on November 2, 1994, and assigned recordation number 19041,

as supplemented by Equipment Trust Agreement Supplement No. 1 dated as of January 1, 1997,

recorded with the Surface Transportation Board on May 1, 1997, and assigned recordation number 19041-B.

Senior Lessor:

Wilmington Trust Company, as trustee

Schedule "B" Equipment
ETC197 PRR

Count	Description	Original		Current	
		Unit Initial	Unit Number	Unit Initial	Unit Number
1	C40-8W	CR	6266	PRR	8440
2	C40-8W	CR	6268	PRR	8441
3	C40-8W	CR	6269	PRR	8442
4	C40-8W	CR	6271	PRR	8443
5	C40-8W	CR	6273	PRR	8444
6	C40-8W	CR	6274	PRR	8445
7	C40-8W	CR	6276	PRR	8446
8	C40-8W	CR	6278	PRR	8447
9	C40-8W	CR	6279	PRR	8448
10	C40-8W	CR	6281	PRR	8449
11	C40-8W	CR	6283	PRR	8450
12	C40-8W	CR	6285	PRR	8451
12 Total C40-6W Locomotives					