PLAINTIFF'S EXHIBIT

EXHIBIT A

RESTATED ARTICLES OF INCORPORATION
OF
SOUTHERN RAILWAY COMPANY

ARTICLE I

The name of the Corporation is SOUTHERN RAILWAY COMPANY.

ARTICLE II

The purposes of the Corporation are to conduct the business of a railroad anywhere in the United States of America and elsewhere, to engage generally in the business of transportation as a carrier of passengers, mail, express, and all kinds and classifications of freight, petroleum, natural gas, and all other things of every kind and nature, by means of railroad, motor vehicles, and aircraft; and to conduct without the State of Virginia any other business that may be authorized by law.

ARTICLE III

The Corporation shall have authority to issue the following shares:

Serial Preferred Stock	10,000,000 shares
Serial Preference Stock	10,000,000 shares
Common Stock:	50,000,000 shares

All shares shall be without par value.

The following Divisions of this Article III state the respective matters listed below:

Division	Subject Matter
A	The relative rights of the Serial Preferred Stock.
B	The particular rights of the $2.60 Cumulative Preferred Stock, Series A.
C	The relative rights of the Serial Preference Stock.
D	The particular rights of the $3.00 Cumulative Convertible Preference Stock, Series A
E	The rights of the Common Stock.
F	Implementation.

DIVISION A

Serial Preferred Stock

1. *Issuance in Series.* The Board of Directors is hereby empowered to cause the Serial Preferred Stock of the Corporation to be issued in series with such of the variations permitted by clauses (a)-(h), both inclusive, of this Section 1 as shall have been fixed and determined by the Board of Directors with respect to any series prior to the issue of any shares of such series.

The shares of the Serial Preferred Stock of different series may vary as to:

(a) the number of shares constituting such series and the designation of such series, which shall be such as to distinguish the shares thereof from the shares of all other series and classes.

(b) the rate of dividend, the time of payment and, if cumulative, the dates from which dividends shall be cumulative, and the extent of participation rights, if any;

(c) any right to vote with holders of shares of any other series or class and any right to vote as a class, either generally or as a condition to specified corporate action;

(d) the price at and the terms and conditions on which shares may be redeemed;

(e) the amount payable upon shares in event of involuntary liquidation;

(f) the amount payable upon shares in event of voluntary liquidation;

(g) any sinking fund provisions for the redemption or purchase of shares; and

(h) the terms and conditions on which shares may be converted, if the shares of any series are issued with the privilege of conversion.

The shares of all series of Serial Preferred Stock shall be identical except as, within the limitations set forth in this Section 1, shall have been fixed herein or otherwise fixed and determined by the Board of Directors prior to the issuance thereof. All shares of each series of Serial Preferred Stock shall be equal in all respects.

2. *Dividends.* The holders of the Serial Preferred Stock of each series shall be entitled to receive, if and when declared payable by the Board of Directors, dividends in lawful money of the United States of America, at the dividend rate for such series, and not exceeding such rate except to the extent of any participation right. Such dividend shall be payable on such dates as shall be fixed for such series. Dividends, if cumulative and in arrears, shall not bear interest.

No dividends shall be declared or paid upon or set apart for the Serial Preference Stock, for the Common Stock or for stock of any other class hereafter created ranking junior to the Serial Preferred Stock in respect of dividends or assets (hereinafter called Junior Stock), and no shares of Serial Preference Stock, Common Stock or Junior Stock shall be purchased, redeemed or otherwise reacquired for a consideration, nor shall any funds be set aside for or paid to any sinking fund therefor, unless and until full dividends on the outstanding Serial Preferred Stock at the dividend rate or rates therefor, together with the full additional amount required by any participation right, shall have been paid or declared and set apart for payment with respect to all past dividend periods, to the extent that the holders of the Serial Preferred Stock are entitled to dividends with respect to any past dividend period, and the current dividend period, and unless and until all mandatory sinking fund payments that shall have become due in respect of any series of the Serial Preferred Stock shall have been made. Unless full dividends with respect to all past dividend periods on the outstanding Serial Preferred Stock at the dividend rate or rates therefor, to the extent that holders of the Serial Preferred Stock are entitled to dividends with respect to any particular past dividend period, together with the full additional amount required by any participation right, shall have been paid or declared and set apart for payment and all mandatory sinking fund payments that shall have become due in respect of any series of the Serial Preferred Stock shall have been made, no distributions shall be made to the holders of the Serial Preferred Stock of any series unless distributions are made to the holders of the Serial Preferred Stock of all series then outstanding in proportion to the aggregate amounts of the deficiencies in payments due to the respective series, and all payments shall be applied, first, to dividends accrued and in arrears, next, to any amount required by any participation right, and, finally, to mandatory sinking fund payments. The terms "current dividend period" and "past dividend period" mean, if two or more series of Serial Preferred Stock having different dividend periods are at the time outstanding, the current dividend period or any past dividend period, as the case may be, with respect to each such series.

3. *Preference on Liquidation, etc.* In the event of any liquidation, dissolution or winding up of the Corporation, the holders of the Serial Preferred Stock of each series shall be entitled to receive,

for each share thereof, the fixed liquidation price for such series, plus, in case such liquidation, dissolution or winding up shall have been voluntary, the fixed liquidation premium for such series, if any, together in all cases with a sum equal to all dividends accrued or in arrears thereon and the full additional amount required by any participation right, before any distribution of the assets shall be made to holders of the Serial Preference Stock, the Common Stock or Junior Stock; but the holders of the Serial Preferred Stock shall be entitled to no further participation in such distribution. If, upon any such liquidation, dissolution or winding up, the assets distributable among the holders of the Serial Preferred Stock shall be insufficient to permit the payment of the full preferential amounts aforesaid, then such assets shall be distributed among the holders of the Serial Preferred Stock then outstanding ratably in proportion to the full preferential amounts to which they are respectively entitled. For the purpose of this Section 5 and of Division B of this Article III, the expression "dividends accrued or in arrears" means, in respect of each share of the Serial Preferred Stock of any series at a particular time, an amount equal to the product of the rate of dividend per annum applicable to the shares of such series multiplied by the number of years and any fractional part of a year that shall have elapsed from the date when dividends on such shares became cumulative to the particular time in question less the total amount of dividends actually paid on the shares of such series or declared and set apart for payment thereon; *provided, however*, that, if the dividends on such shares shall not be fully cumulative, such expression shall mean the dividends, if any, cumulative in respect of such shares for the period stated in the articles of serial designation creating such shares less all dividends paid in or with respect to such period.

DIVISION B

$2.60 Cumulative Preferred Stock, Series A

1. *Designation.* 1,190,611 shares of Serial Preferred Stock are hereby designated as shares of $2.60 Cumulative Preferred Stock, Series A, stated value $50 per share (the Series A Preferred). The Board of Directors shall have the power to designate additional shares of Serial Preferred Stock as shares of the Series A Preferred and to designate shares of the Series A Preferred not theretofore issued or theretofore issued and reacquired and retired as shares of other series.

2. *Dividends.* Dividends on the shares of the Series A Preferred shall be payable quarterly on March 15, June 15, September 15 and December 15 of each year at the annual rate of $2.60 per share in respect of the three months' period ending on the last day of the calendar month immediately preceding the month of each dividend payment date (each such three months' period being hereinafter in this Division B referred to as a Dividend Payment Quarter). Dividends shall be cumulative from December 1, 1978 in respect of all shares issued prior to March 1, 1979 and, in respect of all shares issued on or after March 1, 1979, from the first day of the Dividend Payment Quarter during which such shares are issued.

3. *Redemption and Purchase.* The Corporation may, at its option expressed by resolution of its Board of Directors, at any time or from time to time, redeem the whole or any part of the Series A Preferred at the fixed redemption price of $50 per share plus all dividends accrued or in arrears thereon to the date fixed for redemption. Notice of any proposed redemption of the Series A Preferred shall be given by publication at least once in one newspaper printed in the English language and customarily published on each business day and, wherever published, of general circulation in the Borough of Manhattan, City and State of New York, the publication in each such newspaper to be at least thirty days and not more than ninety days prior to the date fixed for such redemption. Notice of any proposed redemption of the Series A Preferred shall also be given by the Corporation by mailing a copy of such notice, at least thirty days, and not more than ninety days, prior to the date fixed for such redemption, to the holders of record of the Series A Preferred to be redeemed at their respective addresses then appearing on the books of the Corporation, but neither failure to mail such copy nor any defect therein or in the mailing thereof shall affect the validity of the proceedings for the redemption of any shares of the Series A Preferred so to be redeemed. In case of the redemption

of a part only of the Series A Preferred at the time outstanding, the Corporation shall select by lot or pro rata as the Board of Directors may determine the shares so to be redeemed.

On or at any time before the redemption date, the Corporation shall deposit in trust, for the account of the holders of the shares to be redeemed, funds necessary for such redemption with a bank or trust company in good standing, organized under the laws of the United States of America or of the State of New York doing business in the Borough of Manhattan, City and State of New York, and having capital, surplus and undivided profits aggregating at least $5,000,000, designated in such notice of redemption. Upon completing the publication as hereinabove provided of the notice of such redemption or upon the earlier delivery to such bank or trust company of irrevocable authorization and direction to begin promptly and complete such publication of notice and upon the making of such deposit in trust, then all shares with respect to the redemption of which such deposit shall have been made and such publication completed or authorization therefor given shall, whether or not the certificates therefor shall have been surrendered for cancellation, be deemed no longer to be outstanding for any purpose and all rights with respect to such shares shall thereupon cease and terminate, except only the right of the holders of the certificates for such shares to receive, out of the funds so deposited in trust, from and after the date of such deposit, the amount payable upon the redemption thereof, without interest.

Subject to the limitations contained in these articles, the Corporation may also from time to time purchase or otherwise acquire for a consideration shares of the Series A Preferred. Shares of the Series A Preferred redeemed, purchased or otherwise acquired by the Corporation, may be resold or may be retired, but such retirement shall not reduce the maximum authorized amount of the Serial Preferred Stock and such shares shall become authorized and unissued shares of Serial Preferred Stock undesignated as to series.

4. *Liquidation.* The fixed liquidation price for the shares of the Series A Preferred, both on voluntary and involuntary liquidation, shall be $50 per share plus all dividends accrued and in arrears to the date of payment.

5. *Sinking Fund, Conversion, Participation.* The shares of Series A Preferred shall not be entitled to the benefit of any sinking fund nor shall they have any right of conversion or participation.

6. *Voting Rights.* A. The holders of the shares of the Series A Preferred shall be entitled to one vote per share on all matters.

B. In addition, without the favorable vote of the holders of more than two-thirds of the outstanding shares of the Series A Preferred voting as a separate class at a meeting called in accordance with the provisions of the Virginia Stock Corporation Act and the by-laws of the Corporation, the Corporation shall not take any of the following actions:

(1) alter, change or amend any of the provisions of the Restated Articles of Incorporation of the Corporation or of any certificate amendatory thereof or supplementary thereto, or of the by-laws of the Corporation, so as to affect materially and adversely the designations, preferences, limitations, voting rights or relative or other rights of any nature of the holders of the shares of the Series A Preferred; or

(2) authorize, create or issue a new class, or change a class with subordinate and inferior rights into a class of shares having rights and preferences prior or equal to the rights and preferences of the holders of shares of the Series A Preferred.

C. Without the favorable vote of the holders of a majority of the outstanding shares of the Series A Preferred voting as a separate class at a meeting called in accordance with the provisions of the Virginia Stock Corporation Act and the by-laws of the Corporation, the Corporation shall not issue any additional shares of Serial Preferred Stock, whether shares of the Series A Preferred or of any other series or class now or hereafter designated, unless, during a period of twelve consecutive calendar months ending within the fifteen calendar months preceding the date of issuance of such additional shares of Serial Preferred Stock, the aggregate of

(a) net income for such period of twelve months,

(b) all income taxes, federal, state, local and foreign, accrued during such period of twelve months, and

(c) interest expense accrued during such period of twelve months,

is at least 150% of the aggregate of

(x) interest expense accrued during such period of twelve months, and

(y) all dividends declared on shares of Serial Preferred Stock and on any class of shares having rights and preferences prior or equal to the rights and preferences of the holders of the shares of Series A Preferred during such period of twelve months plus the aggregate amount of the dividends proposed to be paid during a period of twelve months on the shares of Serial Preferred Stock proposed to be issued,

all determined on a consolidated basis for the Corporation and its subsidiaries in accordance with generally accepted accounting principles applicable to common carriers applied on a consistent basis and excluding all non recurring extraordinary items of income and expense and all items of income or expense attributable to the results of discontinued operations, but nothing in this clause C shall prevent the initial issuance of all of the shares hereby designated as shares of the Series A Preferred.

D. If and whenever dividends on any shares of any series of the Serial Preferred Stock shall not have been paid, in whole or in part, for six quarterly dividend periods, whether or not consecutive, and whether or not such dividends shall be cumulative, then the number of the Directors of the Corporation shall be increased by two and the holders of the Series A Preferred shall be entitled, voting as a class together with the holders of any other series of the Serial Preferred Stock on the holders of which this right to vote has been conferred by the Certificate of Serial Designation creating such series (the shares of all such other series on the holders of which such right is so conferred and the Series A Preferred being hereinafter collectively called the Director Voting Preferred), to elect such two additional directors. Any vacancy among the directors elected by the holders of the Director Voting Preferred shall be filled by the vote of the other director elected by such stockholders, or, if not filled with reasonable promptness by such remaining director, may be filled by the holders of the Director Voting Preferred at a meeting thereof called for the purpose upon the notice hereinafter provided.

At any time when such voting rights shall become vested in the holders of the Director Voting Preferred, the Board of Directors or a proper officer of the Corporation shall, upon written request of the holders of record of not less than 10% of the number of shares of the Director Voting Preferred then outstanding, addressed and delivered to any officer of the Corporation, call a special meeting of all holders of the Director Voting Preferred then entitled to vote for the election of directors. Such special meeting shall be called within 15 days after delivery to an officer of the Corporation of a written request therefor and shall be held within 45 days after the delivery of such request at the place designated by the by-laws for the holding of annual meetings of the stockholders. It shall be the duty of the Secretary or other proper officer of the Corporation to give such notice as is required by law of the time, place and purpose of such meeting to each stockholder of the Corporation.

If such special meeting shall not be so called within 15 days after service of such request upon an officer of the Corporation, or within 20 days after mailing the same within the United States of America by registered mail addressed to an officer of the Corporation at its principal business office (such mailing to be evidenced by the registry receipt issued by the postal authorities), then the holders of record of not less than 10% of the shares of the Director Voting Preferred then outstanding may designate in writing one of their number to call such special meeting, and such special meeting may be called by such person upon like notice as above provided, to be held at such place as may be designated in the notice of such meeting. Any holder of the Director Voting Preferred so designated shall have immediate access to the stock record books of the Corporation for the purpose of causing such meeting to be called at the expense of the Corporation pursuant to these provisions.

On the [illegible] of any such special meeting, called and held as aforesaid, for the election of directors, the number of directors of the Corporation shall be increased by two to permit the election by the holders of the Director Voting Preferred of the number of directors permitted by this clause D.

At any meeting at which the holders of the Director Voting Preferred shall be entitled to elect directors, the holders of one third of the then outstanding shares of the Director Voting Preferred, present in person or by proxy, shall be sufficient to constitute a quorum, and the vote of the holders of a majority of such shares so present at any such meeting at which there shall be such a quorum shall be sufficient to elect the members of the Board of Directors which the holders of the Director Voting Preferred are entitled to elect as hereinabove provided. The absence of a quorum of the holders of any other class of stock at the time outstanding shall not affect the exercise of such voting rights by the holders of the Director Voting Preferred.

The voting rights of the holders of the Director Voting Preferred shall continue until all arrearages of dividends on all shares of the Serial Preferred Stock shall have been declared and paid. At that time, the voting rights of the Director Voting Preferred shall terminate and the terms of office of all directors elected by the holders of the Director Voting Preferred shall forthwith terminate, subject to such voting rights being revived upon recurrence of the conditions described above as giving rise thereto.

DIVISION C

Serial Preference Stock

1. *Issuance in Series.* The Board of Directors is hereby empowered to cause the Serial Preference Stock of the Corporation to be issued in series with such of the variations permitted by clauses (a)-(h), both inclusive, of this Section 1 as shall have been fixed and determined by the Board of Directors with respect to any series prior to the issue of any shares of such series.

The shares of the Serial Preference Stock of different series may vary as to:

(a) the number of shares constituting such series and the designation of such series, which shall be such as to distinguish the shares thereof from the shares of all other series and classes;

(b) the rate of dividend, the time of payment and, if cumulative, the dates from which dividends shall be cumulative, and the extent of participation rights, if any;

(c) any right to vote with holders of shares of any other series or class and any right to vote as a class, either generally or as a condition to specified corporate action;

(d) the price and the terms and conditions on which shares may be redeemed;

(e) the amount payable upon shares in event of involuntary liquidation;

(f) the amount payable upon shares in event of voluntary liquidation;

(g) any sinking fund provisions for the redemption or purchase of shares; and

(h) the terms and conditions on which shares may be converted, if the shares of any series are issued with the privilege of conversion.

The shares of all series of Serial Preference Stock shall be identical except as, within the limitations set forth in this Section 1, shall have been fixed herein or otherwise fixed and determined by the Board of Directors prior to the issuance thereof. All shares of each series of Serial Preference Stock shall be equal in all respects.

2. *Dividends.* The holders of the Serial Preference Stock of each series shall be entitled to receive, after prior satisfaction of all rights of the holders of the Serial Preferred Stock with respect to dividends and sinking fund obligations, and if and when declared payable by the Board of Directors, dividends in lawful money of the United States of America, at the dividend rate for such series, and not exceeding such rate except to the extent of any participation right. Such dividend shall be payable on such dates as shall be fixed for such series. Dividends, if cumulative and in arrears, shall not bear interest.

No dividends shall be declared or paid upon or set apart for the Common Stock or for stock of any other class hereafter created ranking junior to the Serial Preference Stock in respect of dividends or assets (hereinafter called Subordinate Stock) and no shares of Common Stock or Subordinate Stock shall be purchased, redeemed or otherwise reacquired for a consideration, nor shall any funds be set aside for or paid to any sinking fund therefor, unless and until full dividends on the outstanding Serial Preference Stock at the dividend rate or rates therefor, together with the full additional amount required by any participation right, shall have been paid or declared and set apart for payment with respect to all past dividend periods, to the extent that the holders of the Serial Preference Stock are entitled to dividends with respect to any past dividend period, and the current dividend period, and unless and until all mandatory sinking fund payments that shall have become due in respect of all series of the Serial Preference Stock shall have been made. Unless full dividends with respect to all past dividend periods on the outstanding Serial Preference Stock at the dividend rate or rates therefor, to the extent that holders of the Serial Preference Stock are entitled to dividends with respect to any particular past dividend period, together with the full additional amount required by any participation right, shall have been paid or declared and set apart for payment and all mandatory sinking fund payments that shall have become due in respect of any series of the Serial Preference Stock shall have been made, no distributions shall be made to the holders of the Serial Preference Stock of any series unless distributions are made to the holders of the Serial Preference Stock of all series then outstanding in proportion to the aggregate amounts of the deficiencies in payments due to the respective series, and all payments shall be applied, first, to dividends accrued and in arrears, next, to any amount required by any participation right, and, finally, to mandatory sinking fund payments. The terms "current dividend period" and "past dividend period" mean, if two or more series of Serial Preference Stock having different dividend periods are at the time outstanding, the current dividend period or any past dividend period, as the case may be, with respect to each such series.

3. *Preference on Liquidation, etc.* In the event of any liquidation, dissolution or winding up of the Corporation and after prior satisfaction of all claims of holders of the Serial Preferred Stock, the holders of the Serial Preference Stock of each series shall be entitled to receive, for each share thereof, the fixed liquidation price for such series, plus, in case such liquidation, dissolution or winding up shall have been voluntary, the fixed liquidation premium for such series, if any, together in all cases with a sum equal to all dividends accrued or in arrears thereon and the full additional amount required by any participation right, before any distribution of the assets shall be made to holders of the Common Stock or any Subordinate Stock; but the holders of the Serial Preference Stock shall be entitled to no further participation in such distribution. If upon any such liquidation, dissolution or winding up the assets distributable among the holders of the Serial Preference Stock shall be insufficient to permit the payment of the full preferential amounts aforesaid, then such assets shall be distributed among the holders of the Serial Preference Stock then outstanding ratably in proportion to the full preferential amounts to which they are respectively entitled. For the purposes of this Section 3 and of Division D of this Article III, the expression "dividends accrued or in arrears" means, in respect of each share of the Serial Preference Stock of any series at a particular time, an amount equal to the product of the rate of dividend per annum applicable to the shares of such series multiplied by the number of years and any fractional part of a year that shall have elapsed from the date when dividends on such shares became cumulative to the particular time in question less the total amount of dividends actually paid on the shares of such series or declared and set apart for payment thereon; *provided, however,* that, if the dividends on such

shares shall not be fully cumulative, such expression shall mean the dividends cumulative, if any, in respect of such shares for the period stated in the articles of serial designation creating such shares less all dividends paid in or with respect to such period.

DIVISION D

$3.00 Cumulative Convertible Preference Stock, Series A

1. [illegible] 300,112 shares of Serial Preference Stock are hereby designated as shares of $3.00 Cumulative Convertible Preference Stock, Series A, stated value $50 per share (the Series A Preference). The Board of Directors shall have the power to designate additional shares of Serial Preference [illegible] as the Series A Preference and to designate shares of the Series A Preference not theretofore [illegible] Preference issued and reacquired and retired as shares of other series.

2. [illegible] Dividends on the shares of the Series A Preference shall be payable quarterly on March 15, June [illegible] September 15 and December 15 of each year at the annual rate of $3.00 per share in respect of the three months' period ending on the last day of the calendar month immediately preceding the month of each dividend payment date (each such three months' period being hereinafter in this Division D referred to as a Dividend Payment Quarter). Dividends shall be cumulative from December 1, 1978 in respect of all shares issued prior to March 1, 1979, and, in respect of all shares issued on or after March 1, 1979, from the first day of the Dividend Payment Quarter during which such shares are issued.

3. *Redemption and Purchase.* The Corporation may, at its option expressed by resolution of its Board of Directors, at any time or from time to time, redeem the whole or any part of the Series A Preference at the fixed redemption price for such series. During 1979 the fixed redemption price for the shares of Series A Preference shall be $[illegible] per share, with the fixed redemption price to be reduced at a rate of [illegible] per share during each succeeding calendar year until the calendar year 1985 when the redemption price shall be $[illegible] per share and shall remain unchanged thereafter. In addition, the redemption price shall at all times include all dividends accrued or in arrears thereon to the date fixed for redemption. Notice of any proposed redemption of the Series A Preference shall be given by publication at least once in one newspaper printed in the English language and customarily published on each business day and, wherever published, of general circulation in the Borough of Manhattan, City and State of New York, the publication [illegible] such newspaper to be at least thirty days and not more than ninety days, prior to the date fixed for such redemption. Notice of any proposed redemption of the Series A Preference shall also be given by the Corporation by mailing a copy of such notice, at least thirty days, and not more than ninety days prior to the date fixed for such redemption, to the holders of record of the Series A Preference to be redeemed at their respective addresses then appearing on the books of the Corporation, but neither failure to mail [illegible] any defect therein or in the mailing thereof shall affect the validity of the proceedings for the redemption of any shares of the Series A Preference so to be redeemed. In case of the redemption of a part only of the Series A Preference at the time outstanding, the Corporation shall select by lot or pro rata as the Board of Directors may determine, the shares so to be redeemed.

[illegible] at any time before the redemption date the Corporation shall deposit in trust, for the account of the holders of the shares to be redeemed, [illegible] necessary for such redemption with a bank or trust company in good standing, organized under the laws of the United States of America or of the State of New York, doing business in the Borough of Manhattan, City and State of New York, and having capital, surplus and undivided profits aggregating at least $50,000,000, designated in such notice of redemption. Upon completing the publication as hereinabove provided of the notice of such redemption or upon the earlier delivery to such bank or trust company of irrevocable authorization and direction to begin promptly and complete such publication of notice and upon the making of such deposit in trust, then all shares with respect to the redemption of which such deposit shall have been [illegible] and such publication completed or authorization therefor given shall, whether or not the certificates [illegible] shall have been surrendered for cancellation, be deemed no longer to be outstanding for [illegible] purpose and all rights with respect to such shares shall thereupon cease and terminate, except only [illegible] of the holders of the certificates for such shares to receive, out of the funds so deposited [illegible] and after the date of such deposit, the amount payable upon the redemption thereof, without interest.

[illegible] to the limitations contained in these articles, the Corporation may also from time to time purchase or otherwise acquire for a consideration shares of the Serial Preference. Shares of Series A [illegible] redeemed, purchased or otherwise acquired by the Corporation, may be resold or may be retired [illegible] such retirement shall not reduce the maximum authorized amount of the Serial Preference [illegible] and such shares shall become authorized and unissued shares of Serial Preference Stock undesignated as to series.

[illegible] *Liquidation.* The fixed liquidation price for the shares of the Series A Preference, upon [illegible] shall be the then current redemption price plus all dividends accrued and in arrears [illegible]. The fixed liquidation price, upon involuntary liquidation, shall be \$50 per share [illegible] dividends accrued and in arrears to the date of payment.

Sinking Fund Participation. The shares of Series A Preference shall not be entitled to the benefit of any sinking fund nor shall they have any right of participation.

[illegible] *Voting Rights.* A. The holders of the shares of the Series A Preference shall be entitled to one vote per share on all matters. In addition, without the favorable vote of the holders of more than [illegible] of the outstanding shares of the Series A Preference voting as a separate class at a meeting called in accordance with the provisions of the Virginia Stock Corporation Act and the by-laws of the Corporation, the Corporation shall not alter, change or amend any of the provisions of the Restated Articles of Incorporation of the Corporation or of any certificate amendatory thereof or supplementary thereto or of the by-laws of the Corporation, so as to affect materially and adversely the designations, preferences, limitations, voting rights or relative or other rights of any nature of the holders of the shares of the Series A Preference.

[illegible] If and whenever six quarterly dividends on any shares of any series of the Serial Preference [illegible] shall be in arrears in whole or in part, whether or not consecutive, then the number of the Directors of the Corporation shall be increased by two and the holders of the Series A Preference shall be entitled, [illegible] together with the holders of any other series of the Serial Preference Stock on the holders [illegible] right to vote has been conferred by the Certificate of Serial Designation creating such series [illegible] such other series on the holders of which such right is so conferred and the Series A Preference being hereinafter collectively called the Director Voting Preference), to elect such two [illegible] directors. These directors shall be in addition to the directors that may be elected by the [illegible] of certain series of the Serial Preferred Stock. Any vacancy among the directors elected by [illegible] holders of the Director Voting Preference shall be filled by the vote of the other director elected by [illegible] holders or, if not filled with reasonable promptness by such remaining director, may be filled [illegible] holders of the Director Voting Preference at a meeting thereof called for the purpose upon the [illegible] hereinafter provided.

At any time when such voting rights shall become vested in the holders of the Director Voting Preference, the Board of Directors or a proper officer of the Corporation shall, upon written request [illegible] of record of not less than 10% of the number of shares of the Director Voting Preference [illegible] outstanding, addressed and delivered to any officer of the Corporation, call a special meeting of all [illegible] of the Director Voting Preference then entitled to vote for the election of directors. Such [illegible] meeting shall be called within 15 days after delivery to an officer of the Corporation of a written request therefor and shall be held within 45 days after the delivery of such request at the place designated by the by-laws for the holding of annual meetings of the stockholders. It shall be the duty of the secretary or other proper officer of the Corporation to give such notice as is required by law of the time, place and purpose of such meeting to each stockholder of the Corporation.

If such special meeting shall not be so called within 15 days after service of such request upon an officer of the Corporation or within 30 days after mailing the same within the United States of America by registered mail addressed to an officer of the Corporation at its principal business office (such mailing to be evidenced by the registry receipt issued by the postal authorities), then the holders of record of not less than 10% of the shares of the Director Voting Preference then outstanding may designate in writing one of their number to call such special meeting, and such special meeting may be called by such person upon like notice as above provided, to be held at such place as may be designated in the notice of such meeting. Any holder of the Director Voting Preference so designated, shall have immediate access to the stock record books of the Corporation for the purpose of causing such meeting to be called at the expense of the Corporation pursuant to these provisions.

On the date of any such special meeting, called and held as aforesaid, for the election of directors, the number of directors of the Corporation shall be increased by two to permit the election by the holders of the Director Voting Preference of the number of directors permitted by this clause B.

At any meeting at which the holders of the Director Voting Preference shall be entitled to elect [illegible] the holders of one-third of the then outstanding shares of the Director Voting Preference, present in person or by proxy, shall be sufficient to constitute a quorum, and the vote of the holders of a majority of such shares so present at any such meeting at which there shall be such a quorum shall be sufficient to elect the members of the Board of Directors which the holders of the Director Voting Preference are entitled to elect as hereinabove provided. The absence of a quorum of the holders of any other class of stock at the time outstanding shall not affect the exercise of such voting rights by the holders of the Director Voting Preference.

The voting rights of the holders of the Director Voting Preference shall continue until all arrearages of dividends on all series of the Serial Preference Stock shall have been declared and paid. At that time, the voting rights of the Director Voting Preference shall terminate and the terms of office of all directors elected by the holders of the Director Voting Preference shall forthwith terminate, subject to such voting rights being revived upon recurrence of the conditions described above as giving rise thereto.

7. Conversion Right. A. The Series A Preference shall be convertible at any time prior to redemption at the option of the holders thereof into fully paid and nonassessable shares of Common Stock of the Corporation, subject to the terms and provisions of this Section 7, at the rate of one share of Common Stock for each share of Series A Preference (subject to adjustment pursuant to clause B below). The conversion shall be made at the office of the transfer agent for the Corporation in New York, New York, or Richmond, Virginia and at such other place or places, if any, as the Board of Directors may determine. All shares of Series A Preference surrendered for conversion shall be endorsed in blank or accompanied by proper instruments of assignment and transfer thereof duly executed in blank and shall be accompanied by a notice stating that the holder desires to convert such shares into Common Stock. As promptly as practicable after the receipt of the notice to convert and the surrender of such stock as aforesaid, the Corporation shall, subject to clause [illegible] below, issue and deliver at such office or agency to such holder, or on his written order, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions of this Section 7 and [illegible] as provided in paragraph [illegible] of clause B below in respect of any fraction of a share of Common Stock [illegible] issuable upon such conversion. Such conversion shall be deemed to have been effected immediately prior to the close of business on the date on which the notice to convert, along with the certificate or certificates for the stock to be converted, shall have been delivered and surrendered as aforesaid, and the person or persons in whose name or names any certificate or certificates for shares

of Common Stock shall be issuable upon such conversion shall be deemed to have become on such date the holder or holders of record of the shares represented thereby. Upon conversion, the Corporation shall not make any payment or adjustment on account of accrued dividends on the Series A Preference surrendered for conversion. Whenever reference is made in this Section 7 to Common Stock, the term Common Stock shall mean stock of the Corporation of any class, whether now or hereafter authorized, which has the right to participate in the distribution of earnings of the Corporation without limit as to amount or percentage.

B. The number of shares of Common Stock into which shares of Series A Preference are convertible shall be subject to adjustment from time to time only upon the happening of any of the following events on or after January 1, 1978:

(i) In case the Corporation shall (1) take a record of the holders of Common Stock for the purpose of entitling them to receive a dividend declared payable in shares of Common Stock, (2) subdivide the outstanding shares of Common Stock or (3) combine the outstanding shares of Common Stock into a smaller number of shares, each holder of shares of Series A Preference shall thereafter be entitled upon the conversion of each share thereof held by him to receive for each such share the number of shares (including any fraction of a share) of Common Stock which he would have owned or have been entitled to receive after the happening of that one of the events described above which shall have happened had such share of Series A Preference been converted immediately prior to the happening of such event into the shares of Common Stock into which it was then convertible, such adjustment to become effective immediately after the opening of business on the day next following (x) the record date for any such dividend or (y) the day upon which such subdivision or combination shall become effective, as appropriate.

(ii) In case of any reclassification of Common Stock or the consolidation or merger of the Corporation with or into another corporation or in case of any sale or conveyance to another corporation of all or substantially all the property of the Corporation, each holder of shares of Series A Preference shall have the right thereafter to convert each share held by him into the kind and amount of shares of stock, other securities, cash and property receivable upon such reclassification, consolidation, merger, sale or conveyance by a holder of the number of shares of Common Stock into which such share might have been converted immediately prior to such reclassification, consolidation, merger, sale or conveyance, and shall have no other conversion rights. In any such event, effective provision shall be made in the certificate of incorporation of the resulting or surviving corporation or otherwise, so that the provisions set forth herein for the protection of the conversion rights of the shares of Series A Preference shall thereafter be applicable, as nearly as reasonably may be, to any such other shares of stock, other securities, cash and property deliverable upon conversion of the shares of Series A Preference, or other convertible stock or securities received by the holders in place thereof, and any such resulting or surviving corporation shall expressly assume the obligation to deliver, upon the exercise of the conversion privilege, such shares, other securities, cash or property as the holders of the shares of Series A Preference, or other convertible stock or securities received by the holders in place thereof, shall be entitled to receive pursuant to the provisions hereof, and to make provision for the protection of the conversion right as above provided. In case securities other than Common Stock, cash or property shall be issuable, payable or deliverable by the Corporation upon conversion as aforesaid, then all references in this Section 7 shall be deemed to apply, so far as appropriate and as nearly as may be, to such other securities, cash or property.

(iii) In case the Corporation shall issue rights or warrants to holders of its Common Stock entitling them to subscribe for or purchase shares of Common Stock at a price per share less than the current market price per share of such Common Stock (as defined in paragraph (v) below) at the record date for the determination of stockholders entitled to receive such rights or warrants, the number of shares of Common Stock into which each share of Series A Preference shall thereafter be convertible shall be determined by multiplying the number of shares of Common Stock into which such share of Series A Preference was theretofore convertible by a fraction, of which the numerator shall be the number of shares of Common Stock outstanding on the date of issuance of such rights or warrants plus the number of additional shares of Common Stock offered for subscription or purchase, and of which the denominator shall be the number of shares of Common Stock outstanding on the date of issuance of such rights or warrants plus the number of shares of Common Stock which the aggregate offering price of the total number of shares so offered would purchase at such current market price. Such adjustment shall become effective as of the opening of business on the date on which such rights or warrants are issued. The provisions of this paragraph (iii) shall not apply to any rights with respect to any shares of Common Stock issued pursuant to any stock option, stock purchase or other employee benefit plan.

(iv) In case the Corporation shall distribute to the holders of its Common Stock evidences of its indebtedness or assets or shares of stock of any class other than its Common Stock (excluding distributions referred to in paragraph (i) above as to which an adjustment is therefor required and cash dividends to the extent permitted under applicable state law) or rights or warrants to subscribe for evidences of indebtedness or assets (excluding those referred to in paragraph (iii) above), then in each such case the number of shares (including any fraction of a share) of Common Stock into which each share of Series A Preference shall thereafter be convertible shall be determined by multiplying the number of shares of Common Stock into which such share of Series A Preference was theretofore convertible by a fraction, of which the numerator shall be the current market price per share of Common Stock (as defined in paragraph (v) below) at the record date for the determination of stockholders entitled to receive such distribution, and of which the denominator shall be such current market price per share of the Common Stock, less the then fair market value (as determined by the Board of Directors of the Corporation, whose determination shall be conclusive and described in a statement filed at each office designated for the conversion of Series A Preference) of the portion of the assets or evidences of indebtedness or of the shares or of such subscription rights or warrants so distributed applicable to one share of Common Stock. Such adjustment shall become effective as of the opening of business on the date on which such distribution is made.

(v) For the purpose of any computation under paragraphs (iii) and (iv) above, the current market price per share of Common Stock at any date shall be deemed to be the average of the daily closing prices for the 30 consecutive business days commencing 45 business days before the day in question. The closing price for each day shall be the last reported sales price regular way or, in case no such reported sale takes place on such day, the average of the reported closing bid and asked prices regular way, in either case on the New York Stock Exchange. The term "business day" as used in this paragraph (v) means any day on which said Exchange shall be open for trading.

(vi) No fractional share of Common Stock shall be issued upon any conversion but, in lieu thereof, there shall be paid to each holder of shares of Series A Preference surrendered for conversion who but for the provisions of this paragraph (vi) would be entitled to receive a fraction of a share on such conversion, as soon as practicable after the date such shares are surrendered for conversion, an amount in cash equal to the same fraction of the market value of a full share of Common Stock. For such purpose, the market value of [illegible] share of Common Stock shall be the last reported sale price regular way on the day immediately preceding the date upon which shares are surrendered for conversion, or, in case no such sale takes place on such day, the average of the reported closing bid and asked prices regular way on such day, in either case on the New York Stock Exchange.

(vii) No adjustment in the number of shares of Common Stock into which each share of Series A Preference is convertible shall be required unless such adjustment would require an increase or decrease of at least 1/100th of a share in the number of shares of Common Stock into which such share is then convertible; *provided, however*, that any adjustments which by reason of this paragraph (vii) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

(viii) Whenever any adjustment is required in the shares into which each share of Series A Preference is convertible, the Corporation shall forthwith (a) keep available at each of its offices at which shares of Series A Preference are convertible a statement describing in reasonable detail the adjustment and the method of calculation used and (c) cause a copy of such statement to be mailed to the holders of record of the outstanding shares of Series A Preference.

C. The Corporation shall at all times reserve and keep available out of its treasury stock or its authorized but unissued stock, solely for the purpose of effecting the conversion of shares of Series A Preference, that number of shares of Common Stock equal to the number into which all shares of Series A Preference at the time outstanding are convertible.

D. The Corporation will pay any and all issue and other taxes that may be payable in respect of any issue or delivery of shares of Common Stock on conversion of shares of Series A Preference pursuant hereto. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of any shares of Common Stock in a name other than that in which the shares of Series A Preference so converted were registered and no such issue or delivery shall be made unless and until the person requesting such issue or delivery has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

E. Shares of Series A Preference converted into Common Stock shall be from time to time cancelled and retired in the manner provided by law and shall thereafter become authorized and unissued shares undesignated as to series.

DIVISION E

Common Stock

1. *Voting Rights.* Except as otherwise provided herein, the holders of shares of the Common Stock shall be entitled to one vote per share on all matters.

2. *Dividends.* After prior satisfaction of the dividend rights of and the sinking fund obligations to the holders of the Serial Preferred Stock and the Serial Preference Stock, the holders of shares of the Common Stock shall be entitled to receive dividends as, when and in the amounts declared by the Board of Directors.

3. *Preemptive Rights.* No holder of any share of Common Stock shall be entitled to the preemptive right to subscribe to or purchase any shares of Common Stock or any securities convertible into shares of Common Stock or any warrants, rights or options to purchase shares of Common Stock.

4. *Dissolution.* Upon the liquidation, dissolution or winding up of the Corporation, after the satisfaction of the rights of all creditors and of the prior rights of the holders of the Serial Preferred Stock and the Serial Preference Stock, the holders of the Common Stock shall be entitled to share pro rata the remaining assets of the Corporation.

DIVISION F

IMPLEMENTATION

On the day on which these Restated Articles of Incorporation become effective by the issuance of a certificate of amendment by the State Corporation Commission of Virginia (the Effective Date), each five shares of Preferred Stock, $10 par value, of the Corporation then issued shall automatically become one share of the Series A Preferred.

No fractional shares shall be issued. Any stockholder otherwise entitled to a fractional share of the Series A Preferred, shall, upon the surrender of his certificate(s) for shares of Preferred Stock, $10 par value, be afforded the opportunity, during the thirty day period immediately following the Effective Date, of instructing First & Merchants National Bank, Richmond, Virginia, as Agent Bank, in writing to purchase an additional fractional share interest sufficient to make a full share of the Series A Preferred. If such stockholder does not so notify the Agent Bank, such Bank shall sell the fractional share interest and remit the proceeds to such stockholder. Any such purchase or sale by the Agent Bank shall be made at least forty days and not more than fifty days following the Effective Date at the prevailing market price.

No holder of shares of Preferred Stock, $10 par value, shall, after the Effective Date, be entitled to receive dividends or to vote or to exercise any other rights as a stockholder until the certificate(s) representing such shares are surrendered for certificates for shares of the Series A Preferred. But upon such surrender all dividends not paid because of this provision shall be paid.

The shares of $3 Three Year Cumulative Convertible Serial Preference Stock, Series A, issued on the Effective Date (other than shares which, on the Effective Date, have been converted into Common Stock but have not previously been cancelled) shall automatically become shares of the Series A Preference without any surrender of the certificates therefor. Shares of $3 Three Year Cumulative Convertible Serial Preference Stock, Series A, which, on the Effective Date, have been converted into Common Stock but have not previously been cancelled, shall be cancelled. The shares of Common Stock then issued shall remain issued as shares of Common Stock authorized hereby.

On the Effective Date, the stated capital of the Corporation shall be fixed at the aggregate of $50 in respect of each share of the Series A Preferred then issued, $50 in respect of each share of the Series A Preference then issued and $10 in respect of each share of Common Stock then issued. Thereafter, whenever shares of the Series A Preference are surrendered for conversion into shares of Common Stock, and at the time that the Board of Directors shall take action to cancel the shares surrendered for conversion in accordance with clause E of Section 7 of Division D of this Article III, stated capital of the Corporation shall, at the time of such cancellation and in accordance with Articles of Reduction then to be filed with the State Corporation Commission of Virginia, be reduced by $50 in respect of each share so surrendered for conversion less $10 in respect of each share of Common Stock issued upon such conversion.

ARTICLE IV

Until otherwise changed by the by-laws, the number of directors shall be twelve. The directors shall be divided into three classes as nearly equal in number as possible with the term of each director (or his successor in the case of a director not elected by the stockholders) to expire at the third annual meeting after his election (or the election of his predecessor). Directors serving at the Effective Date shall continue in office for the respective terms for which they were elected. Upon any increase in the number of directors, the additional vacancies shall be assigned by the Board of Directors to classes in such a manner that the number of each class shall be as nearly equal as possible and the vacancies shall be filled for terms corresponding to the classes to which the vacancies are so assigned.

The provisions of the preceding paragraph shall not, however, apply to any directors elected by the holders of certain series of the Serial Preferred Stock pursuant to clause D of Section 6 of Division B of Article III nor to any directors elected by the holders of certain series of the Serial Preference Stock pursuant to clause H of Section 6 of Division D of Article III. All of such directors shall be elected for terms expiring at the adjournment of the next annual meeting of the stockholders or earlier if they shall no longer be entitled to serve as directors.

[illegible]

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND,

February 1, 1977

The accompanying articles having been delivered to the State Corporation Commission on behalf of

Southern Railway Company

and the Commission having found that the articles comply with the requirements of law and that all required fees have been paid, it is

ORDERED that this CERTIFICATE OF AMENDMENT AND RESTATEMENT

be issued, and that this order, together with the articles, be admitted to record in the office of the Commission; and that the corporation have the authority conferred on it by law in accordance with the articles, subject to the conditions and restrictions imposed by law.

STATE CORPORATION COMMISSION

By Thomas P. Harwood, Jr.

Commissioner

Commonwealth of Virginia

State Corporation Commission

I, George W. Bryant, Jr., Clerk of the State Corporation Commission, do hereby certify that

the foregoing is a true copy of all documents constituting the charter of SOUTHERN RAILWAY COMPANY .

Nothing more is hereby certified.

In Testimony Whereof *I hereunto set my hand and affix the Official Seal of the State Corporation Commission, at Richmond, this* 21 *day of* September *A. D. 19* 89

George W. Bryant, Jr.

Clerk of the Commission

Secretary of State
Business Information and Services
Suite 315, West Tower
2 Martin Luther King Jr. Dr.
Atlanta, Georgia 30334-1530

DOCKET NUMBER : 963461016
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EFFECTIVE DATE: 12/01/1996
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PRINT DATE : 11/28/1996
FORM NUMBER : 411

NORFOLK SOUTHERN CORPORATION
JAMES A. SQUIRES
THREE COMMERCIAL PLACE
NORFOLK, VA 23510-9241

CERTIFICATE OF MERGER

I, the Secretary of State of the State of Georgia, do hereby issue this certificate pursuant to Title 14 of the Official Code of Georgia Annotated certifying that articles or a certificate of merger and fees have been filed regarding the merger of the below entities, effective as of the date shown above. Attached is a true and correct copy of said filing.

Surviving Entity:
NORFOLK SOUTHERN RAILWAY COMPANY, a Virginia corp.

Nonsurviving Entity/Entities;
THE GEORGIA MIDLAND RAILWAY COMPANY, a Georgia corp.
ELBERTON SOUTHERN RAILWAY COMPANY, a Georgia corp.

EXHIBIT
#8
HJ 3/13/97
PENGAD-Bayonne, N.J.

Lewis A. Massey
LEWIS A. MASSEY
SECRETARY OF STATE

ARTICLES OF MERGER
OF
THE GEORGIA MIDLAND RAILWAY COMPANY AND
ELBERTON SOUTHERN RAILWAY COMPANY INTO
NORFOLK SOUTHERN RAILWAY COMPANY

Pursuant to Section 14-2-1105 of the Official Code of Georgia Annotated, the undersigned NORFOLK SOUTHERN RAILWAY COMPANY, a Virginia corporation and the surviving corporation in the merger (the "Merger") of The Georgia Midland Railway Company and Elberton Southern Railway Company, corporations organized under the laws of Georgia, into Norfolk Southern Railway Company, hereby sets forth the following Articles of Merger:

FIRST: The Georgia Midland Railway Company ("GM") and Elberton Southern Railway Company ("Elberton") shall be merged with and into Norfolk Southern Railway Company ("NSR"), and NSR shall be the surviving corporation, as provided in the Agreement and Plan of Merger dated as of August 1, 1996 (the "Plan of Merger"), a copy of which is attached hereto as Exhibit 1.

SECOND: NSR, the parent corporation, is the sole shareholder and owns all the outstanding shares of each of GM and of Elberton. Accordingly, approval of the Plan of Merger by the shareholders of GM, Elberton and NSR was not required pursuant to Section § 14-2-1104 of the Official Code of Georgia Annotated and Section 13.1-719 of the Code of Virginia.

THIRD: The Plan of Merger was adopted by resolution of the Board of Directors of NSR by unanimous written action dated September 20, 1996, in lieu of a meeting, in accordance with Sections 13.1-719 and 13.1-685 of the Code of Virginia.

FOURTH: NSR, the sole shareholder of GM and of Elberton, hereby waives its right to receive a copy of the Plan of Merger.

FIFTH: In accordance with Section 14-2-1105.1(a) of the Official Code of Georgia Annotated, the undersigned hereby affirms that a request for publication of a notice of filing of the Articles of Merger and payment therefor will be made as required by Section 14-2-1105.1(b) of the Official Code of Georgia Annotated.

SIXTH: The effective time and date of the Merger shall be 12:01 A.M. on December 1, 1996.

In WITNESS WHEREOF, Norfolk Southern Railway Company has caused these Articles of Merger to be signed and acknowledged by its Vice President, its corporate seal to be affixed thereto and the same to be attested by its secretary or one of its assistant secretaries, to be effective as provided herein.

NORFOLK SOUTHERN RAILWAY COMPANY

By: ______________________
Stephen C. Tobias
Vice President

ATTEST:

____
Corporate Secretary

SECRETARY OF STATE
Nov 13 1 06 PM '96
BSR (1)

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER ("Agreement"), dated as of August 1, 1996 among NORFOLK SOUTHERN RAILWAY COMPANY, a Virginia corporation ("NSRC"), The Georgia Midland Railway Company ("GM"), a Georgia corporation and a subsidiary of NSRC, and Elberton Southern Railway Company ("Elberton"), a Georgia corporation and a subsidiary of NSRC.

WITNESSETH:

WHEREAS, the authorized capital stock of GM as of the date of this Agreement consists of 10,000 shares of Common Stock, par value $100 per share, all of which are issued and outstanding ("GM Common Stock");

WHEREAS, the authorized capital stock of Elberton as of the date of this Agreement consists of 2,000 shares of Common Stock, par value $50 per share, all of which are issued and outstanding ("Elberton Common Stock");

WHEREAS, as of the date of this Agreement NSRC owns all of the issued and outstanding GM Common Stock and Elberton Common Stock;

WHEREAS, this Agreement has been approved and adopted by the Boards of Directors of NSRC, GM and Elberton;

WHEREAS, the transaction contemplated by this Agreement is intended to constitute a liquidation of GM and Elberton within the meaning of sections 332 and 337 of the Internal Revenue Code of 1986, as amended.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, NSRC, GM and Elberton hereby agree as follows:

1. The Merger. (a) Subject to the terms and conditions contained in this Agreement, at the Effective Time (as hereinafter defined), GM and Elberton shall be merged with and into NSRC (the "Merger") in accordance with Virginia Code Ann. § 13.1-719 and the Official Code of Georgia Ann., §§ 14-4-142 and 14-2-1107, the separate existences of GM and Elberton shall cease, and NSRC shall continue as the surviving corporation under the laws of the Commonwealth of Virginia ("Surviving Corporation"). The name of the Surviving Corporation shall be Norfolk Southern Railway Company. The principal office of the Surviving Corporation shall be located in Norfolk, Virginia.

(b) The Merger shall be effective upon the later of: (i) the filing with the Secretary of State of the State of Georgia of properly executed articles of merger in compliance with Official Code of Georgia Annotated § 14-2-1105, (ii) the issuance by the State Corporation Commission of the Commonwealth of Virginia of a certificate of merger pursuant to Virginia Code Annotated § 13.1-720, or (iii) such later time as may be specified in the documents filed or issued under (i) and (ii) of this subsection (b) (the "Effective Time"). At the Effective Time, the Merger shall have the effects stated in Virginia Code Ann. § 13.1-721 and Official Code of Georgia Ann. § 14-2-1106.

2. Conversion of Shares. (a) At the Effective Time, each then outstanding share of GM Common Stock and Elberton Common Stock shall be canceled and retired, and all certificates theretofore representing shares of GM Common Stock and Elberton Common Stock shall be canceled and cease to represent any interest in GM and Elberton. No payment shall be made with respect to the GM Common Stock and the Elberton Common Stock and no shares, securities or obligations convertible into shares shall be issued or delivered with respect to the GM Common Stock or the Elberton Common Stock.

(b) Each share of stock of NSRC outstanding immediately prior to the Effective Time shall remain outstanding after the Effective Time as an identical share of NSRC, and no shares, securities or obligations convertible into shares of NSRC shall be issued or delivered as a result of the Merger.

3. Articles of Incorporation and Bylaws; Officers and Directors. The Merger will not effect any changes in the terms or provisions of the Articles of Incorporation or Bylaws of NSRC. The provisions of the Articles of Incorporation and the Bylaws of NSRC in effect immediately prior to the Effective Time shall be the provisions of the Articles of Incorporation and the Bylaws of the Surviving Corporation. The officers and directors of NSRC holding office immediately prior to the Effective Time shall be the officers and directors of the Surviving Corporation, and they shall serve until their successors are duly appointed or elected.

4. Conditions to the Merger. The obligations of NSRC, GM and Elberton under this Agreement are subject to and shall be conditioned upon the satisfaction, or waiver (in whole or in part) in writing, of each of the following conditions:

(i) NSRC, GM and Elberton shall have obtained any necessary approval and authority (without unusual conditions) of the Surface Transportation Board ("STB") and any other regulatory agency having jurisdiction, or shall have obtained, or shall have complied with such requirements as necessary to avail themselves of any, exemption from regulation by the STB and any other regulatory agency having jurisdiction. Each of such approvals, authorities and exemptions shall remain in full force and effect at the Effective Time and such approvals, authorities and exemptions, and the transactions contemplated hereby, shall not have been contested by any Federal or state governmental agency by formal proceeding; and

(ii) No one or more of NSRC, GM or Elberton shall be subject to any order, decree or injunction of a court or agency of competent jurisdiction which enjoins or prohibits the consummation of the Merger.

5. Termination. Anything in this Agreement to the contrary notwithstanding, this Agreement may be terminated and the Merger provided for herein may be abandoned any time prior to the Effective Time by mutual agreement of NSRC, GM and Elberton.

6. Modification of Agreement; Waiver. This Agreement may, subject to applicable law, be amended by action of the Boards of Directors of NSRC, GM and Elberton and any provision of this Agreement may be waived at any time by the party which is entitled to the benefits thereof.

7. Counterparts. This Agreement may be signed in one or more counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf by its officer thereunto duly authorized as of the day and year first written above.

NORFOLK SOUTHERN RAILWAY COMPANY

ATTEST:

By: Stephen C. Tobias, Vice President

Sandra T. Pierce
Secretary

THE GEORGIA MIDLAND RAILWAY COMPANY

ATTEST:

By: Stephen C. Tobias, President

Sandra T. Pierce
Secretary

ELBERTON SOUTHERN RAILWAY COMPANY

ATTEST:

By: Stephen C. Tobias, President

Sandra T. Pierce
Secretary

ARTICLES OF MERGER
OF
THE GEORGIA MIDLAND RAILWAY COMPANY AND
ELBERTON SOUTHERN RAILWAY COMPANY INTO
NORFOLK SOUTHERN RAILWAY COMPANY

Pursuant to Section 13.1-720 of the Code of Virginia, Norfolk Southern Railway Company, a Virginia corporation and the surviving corporation in the merger (the "Merger") of The Georgia Midland Railway Company and Elberton Southern Railway Company, corporations organized under the laws of Georgia, into Norfolk Southern Railway Company, hereby sets forth the following Articles of Merger:

FIRST: The Georgia Midland Railway Company ("GM") and Elberton Southern Railway Company ("Elberton") shall be merged with and into Norfolk Southern Railway Company ("NSR"), and NSR shall be the surviving corporation, as provided in the Agreement and Plan of Merger dated as of August 1, 1996 (the "Plan of Merger"), a copy of which is attached hereto as Exhibit 1.

SECOND: Approval of the Plan of Merger by the shareholders of GM, Elberton and NSR was not required pursuant to Section 13.1-719 of the Code of Virginia because at least ninety percent of the outstanding shares of GM and Elberton are owned by NSR. NSR, the parent corporation, is the sole shareholder and owns all the outstanding shares of each of GM and Elberton.

THIRD: The Plan of Merger was adopted by resolution of the Board of Directors of NSR by unanimous written action dated September 20, 1996, in lieu of a meeting, in accordance with Sections 13.1-719 and 13.1-685 of the Code of Virginia.

FOURTH: NSR, the sole shareholder of GM and of Elberton, hereby waives its right to receive a copy of the Plan of Merger.

FIFTH: The Merger shall become effective and be deemed to be completely consummated on December 1, 1996.

IN WITNESS WHEREOF, we have hereunto set our hands this 15th day of November, 1996.

NORFOLK SOUTHERN RAILWAY COMPANY

By: Stephen C. Tobias
Stephen C. Tobias
Vice President

ATTEST:

Sandra J. Luca
Corporate Secretary

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER ("Agreement"), dated as of August 1, 1996 among NORFOLK SOUTHERN RAILWAY COMPANY, a Virginia corporation ("NSRC"), The Georgia Midland Railway Company ("GM"), a Georgia corporation and a subsidiary of NSRC, and Elberton Southern Railway Company ("Elberton"), a Georgia corporation and a subsidiary of NSRC.

WITNESSETH:

WHEREAS, the authorized capital stock of GM as of the date of this Agreement consists of 10,000 shares of Common Stock, par value $100 per share, all of which are issued and outstanding ("GM Common Stock");

WHEREAS, the authorized capital stock of Elberton as of the date of this Agreement consists of 2,000 shares of Common Stock, par value $50 per share, all of which are issued and outstanding ("Elberton Common Stock");

WHEREAS, as of the date of this Agreement NSRC owns all of the issued and outstanding GM Common Stock and Elberton Common Stock;

WHEREAS, this Agreement has been approved and adopted by the Boards of Directors of NSRC, GM and Elberton;

WHEREAS, the transaction contemplated by this Agreement is intended to constitute a liquidation of GM and Elberton within the meaning of sections 332 and 337 of the Internal Revenue Code of 1986, as amended.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, NSRC, GM and Elberton hereby agree as follows:

1. <u>The Merger</u>. (a) Subject to the terms and conditions contained in this Agreement, at the Effective Time (as hereinafter defined), GM and Elberton shall be merged with and into NSRC (the "Merger") in accordance with Virginia Code Ann. § 13.1-719 and the Official Code of Georgia Ann., §§ 14-4-142 and 14-2-1107, the separate existences of GM and Elberton shall cease, and NSRC shall continue as the surviving corporation under the laws of the Commonwealth of Virginia ("Surviving Corporation"). The name of the Surviving Corporation shall be Norfolk Southern Railway Company. The principal office of the Surviving Corporation shall be located in Norfolk, Virginia.

(b) The Merger shall be effective upon the later of: (i) the filing with the Secretary of State of the State of Georgia of properly executed articles of merger in compliance with Official Code of Georgia Annotated § 14-2-1105, (ii) the issuance by the State Corporation Commission of the Commonwealth of Virginia of a certificate of merger pursuant to Virginia Code Annotated § 13.1-720, or (iii) such later time as may be specified in the documents filed or issued under (i) and (ii) of this subsection (b) (the "Effective Time"). At the Effective Time, the Merger shall have the effects stated in Virginia Code Ann. § 13.1-721 and Official Code of Georgia Ann. § 14-2-1106.

2. Conversion of Shares. (a) At the Effective Time, each then outstanding share of GM Common Stock and Elberton Common Stock shall be canceled and retired, and all certificates theretofore representing shares of GM Common Stock and Elberton Common Stock shall be canceled and cease to represent any interest in GM and Elberton. No payment shall be made with respect to the GM Common Stock and the Elberton Common Stock and no shares, securities or obligations convertible into shares shall be issued or delivered with respect to the GM Common Stock or the Elberton Common Stock.

(b) Each share of stock of NSRC outstanding immediately prior to the Effective Time shall remain outstanding after the Effective Time as an identical share of NSRC, and no shares, securities or obligations convertible into shares of NSRC shall be issued or delivered as a result of the Merger.

3. Articles of Incorporation and Bylaws; Officers and Directors. The Merger will not effect any changes in the terms or provisions of the Articles of Incorporation or Bylaws of NSRC. The provisions of the Articles of Incorporation and the Bylaws of NSRC in effect immediately prior to the Effective Time shall be the provisions of the Articles of Incorporation and the Bylaws of the Surviving Corporation. The officers and directors of NSRC holding office immediately prior to the Effective Time shall be the officers and directors of the Surviving Corporation, and they shall serve until their successors are duly appointed or elected.

4. Conditions to the Merger. The obligations of NSRC, GM and Elberton under this Agreement are subject to and shall be conditioned upon the satisfaction, or waiver (in whole or in part) in writing, of each of the following conditions:

(i) NSRC, GM and Elberton shall have obtained any necessary approval and authority (without unusual conditions) of the Surface Transportation Board ("STB") and any other regulatory agency having jurisdiction, or shall have obtained, or shall have complied with such requirements as necessary to avail themselves of any, exemption from regulation by the STB and any other regulatory agency having jurisdiction. Each of such approvals, authorities and exemptions shall remain in full force and effect at the Effective Time and such approvals, authorities and exemptions, and the transactions contemplated hereby, shall not have been contested by any Federal or state governmental agency by formal proceeding; and

(ii) No one or more of NSRC, GM or Elberton shall be subject to any order, decree or injunction of a court or agency of competent jurisdiction which enjoins or prohibits the consummation of the Merger.

5. Termination. Anything in this Agreement to the contrary notwithstanding, this Agreement may be terminated and the Merger provided for herein may be abandoned any time prior to the Effective Time by mutual agreement of NSRC, GM and Elberton.

6. Modification of Agreement; Waiver. This Agreement may, subject to applicable law, be amended by action of the Boards of Directors of NSRC, GM and Elberton and any provision of this Agreement may be waived at any time by the party which is entitled to the benefits thereof.

7. Counterparts. This Agreement may be signed in one or more counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf by its officer thereunto duly authorized as of the day and year first written above.

NORFOLK SOUTHERN RAILWAY COMPANY

ATTEST:

Sandra T. Pierce
Secretary

By: Stephen C. Tobias
Stephen C. Tobias, Vice President

THE GEORGIA MIDLAND RAILWAY COMPANY

ATTEST:

Sandra T. Pierce
Secretary

By: Stephen C. Tobias
Stephen C. Tobias, President

ELBERTON SOUTHERN RAILWAY COMPANY

ATTEST:

Sandra T. Pierce
Secretary

By: Stephen C. Tobias
Stephen C. Tobias, President

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COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

November 19, 1996

The State Corporation Commission finds the accompanying articles submitted on behalf of

NORFOLK SOUTHERN RAILWAY COMPANY

to comply with the requirements of law. Therefore, it is ORDERED that this

CERTIFICATE OF MERGER

be issued and admitted to record with the articles in the office of the Clerk of the Commission. Each of the following:

TWO FOREIGN CORPORATIONS NOT QUALIFIED IN VA

is merged into NORFOLK SOUTHERN RAILWAY COMPANY, which continues to exist under the laws of VIRGINIA with the name NORFOLK SOUTHERN RAILWAY COMPANY. The existence of each non-surviving entity ceases, according to the plan of merger.

The certificate is effective on December 1, 1996.

STATE CORPORATION COMMISSION

By T.V. Morrison Jr.

Commissioner

MERGACPT
CIS20436
96-11-18-0085

Commonwealth of Virginia

State Corporation Commission

I Certify the Following from the Records of the Commission:

the foregoing is a true copy of the ARTICLES OF MERGER of NORFOLK SOUTHERN RAILWAY COMPANY issued December 01, 1996.

Nothing more is hereby certified.

Signed and Sealed at Richmond
on this Date: November 22, 1996

William J. Bridge
William J. Bridge, Clerk of the Commission

CIS20316

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COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

July 23, 1996

The State Corporation Commission finds the accompanying articles submitted on behalf of

NORFOLK SOUTHERN RAILWAY COMPANY

to comply with the requirements of law. Therefore, it is ORDERED that this

CERTIFICATE OF MERGER

be issued and admitted to record with the articles in the office of the Clerk of the Commission. Each of the following:

THE ATLANTA AND CHARLOTTE AIR-LINE RAILWAY COMPANY
(A FOREIGN CORPORATION NOT QUALIFIED IN VA)

is merged into NORFOLK SOUTHERN RAILWAY COMPANY, which continues to exist under the laws of VIRGINIA with the name NORFOLK SOUTHERN RAILWAY COMPANY. The existence of each non-surviving entity ceases, according to the plan of merger.

The certificate is effective on August 1, 1996.

STATE CORPORATION COMMISSION

By T. V. Morrison Jr.

Commissioner

MERGACPT
CIS20436
96-07-19-0036

ARTICLES OF MERGER

These Articles of Merger, dated as of July 15, ~~1995~~, between NORFOLK SOUTHERN RAILWAY COMPANY, a Virginia corporation, and THE ATLANTA AND CHARLOTTE AIR-LINE RAILWAY COMPANY, a corporation organized under the laws of South Carolina, Georgia and North Carolina;

WITNESSETH:

For and in consideration of the premises, the parties hereto covenant and agree to the following terms and conditions of the Articles of Merger:

(A) Agreement and Plan of Merger. The Atlanta and Charlotte Air-Line Railway Company ("A&CAL") shall be merged with and into Norfolk Southern Railway Company ("NSR") and NSR shall be the surviving corporation, as more particularly described in the Agreement and Plan of Merger ("Agreement") attached as Exhibit 1 hereto.

(B) Shareholder Approval Not Required; Adoption of Agreement and Plan of Merger by Boards of Directors. Because NSR owns 100% of the issued and outstanding stock of A&CAL, shareholder approval of the merger was not required. The Agreement was approved by the Boards of Directors of NSR and A&CAL on July 3, 1996 and June 20, 1996 respectively.

(C) Merger Permitted by South Carolina Law; A&CAL has Complied with South Carolina Law. The merger is permitted by South Carolina law, pursuant to S.C. Code Ann. § 58-17-610 (Law. Co-op. Supp. 1994) and § 33-11-104 (Law. Co-op. 1990). In effectuating the merger, A&CAL has complied with South Carolina law in all respects.

(D) Waiver of Right to Receive Copy of Agreement and Plan of Merger. NSR, the sole shareholder of A&CAL, hereby waives its right to receive a copy of the Agreement.

(E) Effective Time and Date of Merger. The effective time and date of the merger shall be 12:01 A.M. on August 1, 1996.

In WITNESS WHEREOF, Norfolk Southern Railway Company and The Atlanta and Charlotte Air-Line Railway Company have caused these Articles of Merger to be signed and acknowledged by their Vice President and President, their corporate seals to be affixed thereto and the same to be attested by their secretaries or one of their assistant secretaries, to be effective as provided herein.

NORFOLK SOUTHERN RAILWAY COMPANY

ATTEST:

Corporate Secretary

By: Stephen C. Tobias, Vice President

THE ATLANTA AND CHARLOTTE AIR-LINE RAILWAY COMPANY

ATTEST:

Corporate Secretary

By: Stephen C. Tobias, President

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER ("Agreement"), dated as of June 1, 1996 between NORFOLK SOUTHERN RAILWAY COMPANY, a Virginia corporation ("NSRC"), and THE ATLANTA AND CHARLOTTE AIR-LINE RAILWAY COMPANY ("A&CAL"), a Georgia, North Carolina, and South Carolina corporation and a subsidiary of NSRC.

WITNESSETH:

WHEREAS, the authorized capital stock of A&CAL as of the date of this Agreement consists of 17,000 shares of Common Stock, par value $100 per share, 16,999 of which are issued and outstanding ("A&CAL Common Stock");

WHEREAS, as of the date of this Agreement NSRC owns all of the issued and outstanding A&CAL Common Stock;

WHEREAS, this Agreement has been approved and adopted by the Boards of Directors of NSRC and A&CAL;

WHEREAS, the transaction contemplated by this Agreement is intended to constitute a liquidation of A&CAL within the meaning of sections 332 and 337 of the Internal Revenue Code of 1986, as amended.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, NSRC and A&CAL hereby agree as follows:

1. <u>The Merger</u>. (a) Subject to the terms and conditions contained in this Agreement, at the Effective Time (as hereinafter defined), A&CAL shall be merged with and into NSRC (the "Merger") in accordance with Virginia Code Ann. § 13.1-719, the Official Code of Georgia Ann., §§ 14-4-142 and 14-2-1107,

North Carolina General Statutes, § 55-11-07, and South Carolina Code Ann. §§ 58-17-610 and 33-11-104, the separate existence of A&CAL shall cease, and NSRC shall continue as the surviving corporation under the laws of the Commonwealth of Virginia ("Surviving Corporation"). The name of the Surviving Corporation shall be Norfolk Southern Railway Company. The principal office of the Surviving Corporation shall be located in Norfolk, Virginia.

(b) The Merger shall be effective upon the later of: (i) the filing with the Secretary of State of the State of Georgia of properly executed articles of merger in compliance with Official Code of Georgia Annotated § 14-2-1105, (ii) the filing with the Secretary of the State of North Carolina of properly executed articles of merger in compliance with North Carolina General Statutes § 55-11-05, (iii) the filing with the Secretary of State of the State of South Carolina of properly executed articles of merger in compliance with South Carolina Code Annotated § 33-11-105, (iv) the issuance by the State Corporation Commission of the Commonwealth of Virginia of a document copy of the articles of merger pursuant to Virginia Code Annotated § 13.1-720, or (v) such later time as may be specified in the documents filed or issued under (i) through (iv) of this subsection (b) (the "Effective Time"). At the Effective Time, the Merger shall have the effects stated in Virginia Code Ann. § 13.1-721, Official Code of Georgia Ann. § 14-2-1106, North Carolina General Statutes § 55-11-06, and South Carolina Code Ann. § 33-11-106.

2. Conversion of Shares. (a) At the Effective Time, each then outstanding share of A&CAL Common Stock shall be canceled and retired, and all certificates theretofore representing shares of A&CAL Common Stock shall be canceled and cease to represent any interest in A&CAL. No payment shall be made with respect to the A&CAL Common Stock and no shares, securities or obligations convertible into shares shall be issued or delivered with respect to the A&CAL Common Stock.

(b) Each share of stock of NSRC outstanding immediately prior to the Effective Time shall remain outstanding after the Effective Time as an identical share of NSRC, and no shares, securities or obligations convertible into shares of NSRC shall be issued or delivered as a result of the Merger.

3. Articles of Incorporation and Bylaws; Officers and Directors. The Merger will not effect any changes in the terms or provisions of the Articles of Incorporation or Bylaws of NSRC. The provisions of the Articles of Incorporation and the Bylaws of NSRC in effect immediately prior to the Effective Time shall be the provisions of the Articles of Incorporation and the Bylaws of the Surviving Corporation. The officers and directors of NSRC holding office immediately prior to the Effective Time shall be the officers and directors of the Surviving Corporation, and they shall serve until their successors are duly appointed or elected.

4. Conditions to the Merger. The obligations of NSRC and the obligations of A&CAL under this Agreement are subject to and

shall be conditioned upon the satisfaction, or waiver (in whole or in part) in writing, of each of the following conditions:

(i) NSRC and A&CAL shall have obtained any necessary approval and authority (without unusual conditions) of the Surface Transportation Board ("STB") and any other regulatory agency having jurisdiction, or shall have obtained, or shall have complied with such requirements as necessary to avail themselves of any, exemption from regulation by the STB and any other regulatory agency having jurisdiction. Each of such approvals, authorities and exemptions shall remain in full force and effect at the Effective Time and such approvals, authorities and exemptions, and the transactions contemplated hereby, shall not have been contested by any Federal or state governmental agency by formal proceeding; and

(ii) No one or more of NSRC or A&CAL shall be subject to any order, decree or injunction of a court or agency of competent jurisdiction which enjoins or prohibits the consummation of the Merger.

5. Termination. Anything in this Agreement to the contrary notwithstanding, this Agreement may be terminated and the Merger provided for herein may be abandoned any time prior to the Effective Time by mutual agreement of NSRC and A&CAL.

6. Modification of Agreement; Waiver. This Agreement may, subject to applicable law, be amended by action of the Boards of Directors of NSRC and A&CAL and any provision of this Agreement

may be waived at any time by the party which is entitled to the benefits thereof.

7. Counterparts. This Agreement may be signed in one or more counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf by its officer thereunto duly authorized as of the day and year first written above.

NORFOLK SOUTHERN RAILWAY COMPANY

ATTEST:

Sandra J. Pierce

Secretary

By: Stephen C. Tobias

Stephen C. Tobias, Vice President

THE ATLANTA AND CHARLOTTE AIR-LINE RAILWAY COMPANY

ATTEST:

Sandra J. Pierce

Secretary

By: Stephen C. Tobias

Stephen C. Tobias, President

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COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

June 19, 1996

The State Corporation Commission finds the accompanying articles submitted on behalf of

NORFOLK SOUTHERN RAILWAY COMPANY

to comply with the requirements of law. Therefore, it is ORDERED that this

CERTIFICATE OF MERGER

be issued and admitted to record with the articles in the office of the Clerk of the Commission. Each of the following:

SOUTHERN RAILWAY-CAROLINA DIVISION (AN SC CORPORATION NOT QUALIFIED IN VA)

is merged into NORFOLK SOUTHERN RAILWAY COMPANY, which continues to exist under the laws of VIRGINIA with the name NORFOLK SOUTHERN RAILWAY COMPANY. The existence of each non-surviving entity ceases, according to the plan of merger.

The certificate is effective on July 1, 1996 at 12:01 AM.

STATE CORPORATION COMMISSION

By T.V. Morrison Jr.

Commissioner

MERGACPT
CIS20318
96-06-18-0115

ARTICLES OF MERGER

These Articles of Merger, dated as of May 20, 1996 between NORFOLK SOUTHERN RAILWAY COMPANY, a Virginia corporation and SOUTHERN RAILWAY-CAROLINA DIVISION, a South Carolina corporation;

WITNESSETH:

For and in consideration of the premises, the parties hereto covenant and agree to the following terms and conditions of the Articles of Merger:

(A) Agreement and Plan of Merger. Southern Railway-Carolina Division ("SRCD") shall be merged into Norfolk Southern Railway Company ("NSR") and NSR shall be the surviving corporation, as more particularly described in the Agreement and Plan of Merger ("Agreement") attached as Exhibit 1 hereto.

(B) Shareholder Approval Not Required; Adoption of Agreement and Plan of Merger by Boards of Directors. Because NSR owns 100% of the stock of SRCD, shareholder approval of the merger was not required. The Agreement was approved by the Boards of Directors of NSR and SRCD on May 20, 1996 and May 1, 1996 respectively.

(C) Merger Permitted by South Carolina Law; SRCD has Complied with South Carolina Law. The merger is permitted by South Carolina law, pursuant to S.C. Code Ann. § 58-17-610 and § 33-11-104. In effectuating the merger, SRCD has complied with South Carolina law in all respects.

(D) Waiver of Right to Receive Copy of Agreement and Plan of Merger. NSR, the sole shareholder of SRCD, hereby waives its right to receive a copy of the Agreement.

(E) Effective Time and Date of Merger. The effective time and date of the merger shall be 12:01 A.M. on July 1, 1996.

In WITNESS WHEREOF, Norfolk Southern Railway Company and Southern Railway-Carolina Division have caused these Articles of Merger to be signed and acknowledged by their Vice President and President, their corporate seals to be affixed thereto and the same to be attested by their secretaries or one of their assistant secretaries, to be effective as provided herein.

NORFOLK SOUTHERN RAILWAY COMPANY

ATTEST:

Sandra T. Pierce
Secretary

By: Stephen C. Tobias
Stephen C. Tobias, Vice President

SOUTHERN RAILWAY-CAROLINA DIVISION

ATTEST:

Sandra T. Pierce
Secretary

By: Stephen C. Tobias
Stephen C. Tobias, President

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER ("Agreement"), dated as of May 1, 1996 between NORFOLK SOUTHERN RAILWAY COMPANY, a Virginia corporation ("NSRC"), and SOUTHERN RAILWAY-CAROLINA DIVISION ("SRCD"), a South Carolina corporation and a subsidiary of NSRC.

WITNESSETH:

WHEREAS, the authorized capital stock of SRCD as of the date of this Agreement consists of 77,987 shares of Common Stock, par value $100 per share, 41,762 of which are issued and outstanding ("SRCD Common Stock");

WHEREAS, as of the date of this Agreement NSRC owns all of the issued and outstanding SRCD Common Stock;

WHEREAS, this Agreement has been approved and adopted by the Boards of Directors of NSRC and SRCD;

WHEREAS, the transaction contemplated by this Agreement is intended to constitute a liquidation of SRCD within the meaning of sections 332 and 337 of the Internal Revenue Code of 1986, as amended.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, NSRC and SRCD hereby agree as follows:

1. The Merger. (a) Subject to the terms and conditions contained in this Agreement, at the Effective Time (as hereinafter defined), SRCD shall be merged with and into NSRC (the "Merger") in accordance with Virginia Code Ann. § 13.1-719 and South Carolina Code Ann. § 58-17-610 and § 33-11-104, the

separate existence of SRCD shall cease, and NSRC shall continue as the surviving corporation under the laws of the Commonwealth of Virginia ("Surviving Corporation"). The name of the Surviving Corporation shall be Norfolk Southern Railway Company. The principal office of the Surviving Corporation shall be located in Norfolk, Virginia.

(b) The Merger shall be effective upon the later of: (i) the filing with the Secretary of State of the State of South Carolina of properly executed articles of merger in compliance with South Carolina Code Ann. § 33-11-105, (ii) the issuance by the State Corporation Commission of the Commonwealth of Virginia of a document copy of the articles of merger pursuant to Virginia Code Ann. § 13.1-720 or (iii) such later time as may be specified in the documents filed or issued under (i) and (ii) of this subsection (b) (the "Effective Time"). At the Effective Time, the Merger shall have the effects stated in Virginia Code Ann. § 13.1-721 and South Carolina Code Ann. § 33-11-106.

2. <u>Conversion of Shares</u>. (a) At the Effective Time, each then outstanding share of SRCD Common Stock shall be canceled and retired, and all certificates theretofore representing shares of SRCD Common Stock shall be canceled and cease to represent any interest in SRCD. No payment shall be made with respect to the SRCD Common Stock and no shares, securities or obligations convertible into shares shall be issued or delivered with respect to the SRCD Common Stock.

(b) Each share of stock of NSRC outstanding immediately prior to the Effective Time shall remain outstanding after the Effective Time as an identical share of NSRC, and no shares, securities or obligations convertible into shares of NSRC shall be issued or delivered as a result of the Merger.

3. Articles of Incorporation and Bylaws; Officers and Directors. The Merger will not effect any changes in the terms or provisions of the Articles of Incorporation or Bylaws of NSRC. The provisions of the Articles of Incorporation and the Bylaws of NSRC in effect immediately prior to the Effective Time shall be the provisions of the Articles of Incorporation and the Bylaws of the Surviving Corporation. The officers and directors of NSRC holding office immediately prior to the Effective Time shall be the officers and directors of the Surviving Corporation, and they shall serve until their successors are duly appointed or elected.

4. Conditions to the Merger. The obligations of NSRC and the obligations of SRCD under this Agreement are subject to and shall be conditioned upon the satisfaction, or waiver (in whole or in part) in writing, of each of the following conditions:

(i) NSRC and SRCD shall have obtained any necessary approval and authority (without unusual conditions) of the Surface Transportation Board ("STB") and any other regulatory agency having jurisdiction, or shall have obtained, or shall have complied with such requirements as necessary to avail themselves of any, exemption from regulation by the STB and any other regulatory agency having jurisdiction. Each of such approvals, authorities and exemptions shall remain in full force and effect at the Effective Time and such approvals, authorities and exemptions, and the transactions contemplated hereby, shall not have been contested by any Federal or state governmental agency by formal proceeding; and

(ii) No one or more of NSRC or SRCD shall be subject to any order, decree or injunction of a court or agency of competent jurisdiction which enjoins or prohibits the consummation of the Merger.

5. Termination. Anything in this Agreement to the contrary notwithstanding, this Agreement may be terminated and the Merger provided for herein may be abandoned any time prior to the Effective Time by mutual agreement of NSRC and SRCD.

6. Modification of Agreement; Waiver. This Agreement may, subject to applicable law, be amended by action of the Boards of Directors of NSRC and SRCD and any provision of this Agreement may be waived at any time by the party which is entitled to the benefits thereof.

7. Counterparts. This Agreement may be signed in one or more counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf by its officer thereunto duly authorized as of the day and year first written above.

NORFOLK SOUTHERN RAILWAY COMPANY

ATTEST:

By: Stephen C. Tobias

Stephen C. Tobias, Vice President

Sandra T. Pierce

Secretary

SOUTHERN RAILWAY-CAROLINA DIVISION

ATTEST:

By: Stephen C. Tobias

Stephen C. Tobias, President

Sandra T. Pierce

Secretary

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COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

February 22, 1994

The State Corporation Commission finds the accompanying articles submitted on behalf of

NORFOLK SOUTHERN RAILWAY COMPANY

to comply with the requirements of law. Therefore, it is ORDERED that this

CERTIFICATE OF MERGER

be issued and admitted to record with the articles in the office of the Clerk of the Commission. Each of the following:

SOUTHERN RAIL TERMINALS OF ALABAMA, INC. (A AL CORPORATION NOT QUALIFIED IN VA)

is merged into NORFOLK SOUTHERN RAILWAY COMPANY, which continues to exist under the laws of VIRGINIA with the name NORFOLK SOUTHERN RAILWAY COMPANY. The existence of each non-surviving entity ceases. according to the plan of merger.

The certificate is effective on March 1, 1994.

STATE CORPORATION COMMISSION

By T. V. Morrison Jr.

Commissioner

MERGACPT
CIS20436
94-02-22-0501

ARTICLES OF MERGER

These Articles of Merger, dated as of February 10, 1994, between NORFOLK SOUTHERN RAILWAY COMPANY, a Virginia corporation and SOUTHERN RAIL TERMINALS OF ALABAMA, INC., an Alabama corporation;

WITNESSETH:

For and in consideration of the premises, the parties hereto covenant and agree to the following terms and conditions of the Articles of Merger:

(A) Agreement and Plan of Merger. Southern Rail Terminals of Alabama, Inc. ("SRTA") shall be merged into Norfolk Southern Railway Company ("NSR") and NSR shall be the surviving corporation, as more particularly described in the Agreement and Plan of Merger ("Agreement") attached as Exhibit 1 hereto.

(B) Number of Shares of SRTA Stock; Ownership of All Outstanding Shares of SRTA Stock by NSR. The authorized capital stock of SRTA as of the date of these Articles consists of 100 shares of common stock, par value $10 per share. All shares of SRTA common stock are issued and outstanding and owned by NSR.

(C) Waiver of Right to Receive Copy of Agreement and Plan of Merger. NSR, the sole shareholder of SRTA, hereby agrees to waive its right to receive a copy of the Agreement.

(D) Countv in Which SRTA's Certificate of Incorporation is Filed. SRTA's certificate of incorporation is filed in Jefferson County, Alabama.

(E) Agreement Regarding Service of Process. NSR hereby agrees that it may be served with process in the State of Alabama in any proceeding for the enforcement of any obligation of SRTA. NSR futher agrees to appoint irrevocably the Secretary of State of Alabama as its agent to accept service in any such proceeding.

(F) No Dissenting Shareholders. NSR being the sole shareholder of SRTA, there are no dissenting shareholders to the merger. Therefore, the agreements required by Ala. Code § 10-2A-146 (Michie 1987) regarding service of process for enforcement of dissenting shareholders' rights and payments to dissenting shareholders do not apply to this merger.

(G) Effective Time and Date of Merger. For accounting purposes, the effective time and date of the merger shall be 12:01 A.M. on March 1, 1994.

In WITNESS WHEREOF, Norfolk Southern Railway Company and

Southern Rail Terminals of Alabama, Inc. have caused these Articles of Merger to be signed and acknowledged by their Vice Presidents, their corporate seals to be affixed thereto and the same to be attested by their secretaries or one of their assistant secretaries, to be effective as provided herein.

NORFOLK SOUTHERN RAILWAY COMPANY

ATTEST:

Alyne M. Martin
Secretary

By: [signature]
L. I. Prillaman, Vice President

SOUTHERN RAIL TERMINALS OF ALABAMA, INC.

ATTEST:

Alyne M. Martin
Secretary

By: [signature]
L. I. Prillaman, Vice President

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER ("Agreement"), dated as of February 9, 1994, between NORFOLK SOUTHERN RAILWAY COMPANY, a Virginia corporation ("NSR") and SOUTHERN RAIL TERMINALS OF ALABAMA, INC. (SRTA), an Alabama corporation and a subsidiary of NSR,

WITNESSETH:

WHEREAS, the authorized capital stock of SRTA as of the date of this Agreement consists of 100 shares of Common Stock, par value $10 per share, all of which are issued and outstanding ("SRTA Common Stock");

WHEREAS, as of the date of this Agreement NSR owns all of the issued and outstanding SRTA Common Stock;

WHEREAS, this Agreement has been approved and adopted by the Board of Directors of NSR;

WHEREAS, this Agreement is intended to constitute a Plan of Reorganization pursuant to Section 368 of the Internal Revenue Code of 1986.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, NSR and SRTA (the "Constituent Corporations") hereby agree as follows:

1. The Merger. (a) Subject to the terms and conditions contained in this Agreement, at the Effective Time (as hereinafter defined), SRTA shall be merged with and into NSR (the "Merger") in accordance with Va. Code Ann. §§ 13.1-719 (Michie 1993) and Ala. Code §§ 10-2A-144 (Michie 1987), the separate

existence of SRTA shall cease, and NSR shall continue as the surviving corporation under the laws of the Commonwealth of Virginia ("Surviving Corporation"). The name of the Surviving Corporation shall be Norfolk Southern Railway Company. The principal office of the Surviving Corporation shall be located in Norfolk, Virginia.

(b) The Merger shall be effective upon the later of: (i) the filing with the Secretary of State of Alabama of properly executed articles of merger in compliance with Ala. Code § 10-2A-144 (Michie 1987), (ii) the issuance by the State Corporation Commission of the Commonwealth of Virginia of a certificate of merger pursuant to Va. Code Ann. § 13.1-720 (Michie 1993) or (iii) such later time as may be specified in the documents filed or issued under (i) and (ii) of this subsection (b) (the "Effective Time"). At the Effective Time, the Merger shall have the effects stated in Va. Code Ann. § 13.1-721 (Michie 1993) and Ala. Code § 10-2A-145 (Michie 1987).

2. Conversion of Shares. (a) At the Effective Time, each then outstanding share of SRTA Common Stock shall be cancelled and retired, and all certificates theretofore representing shares of SRTA Common Stock shall be cancelled and cease to represent any interest in SRTA. No payment shall be made with respect to the SRTA Common Stock and no shares, securities or obligations convertible into shares shall be issued or delivered with respect to the SRTA Common Stock.

(b) Each share of stock of NSR outstanding immediately prior to the Effective Time shall remain outstanding after the Effective Time as an identical share of NSR, and no shares, securities or obligations convertible into shares of NSR shall be issued or delivered as a result of the Merger.

3. Articles of Incorporation and Bylaws; Officers and Directors. The Merger will not effect any changes in the terms or provisions of the Articles of Incorporation or Bylaws of NSR. The provisions of the Articles of Incorporation and the Bylaws of NSR in effect immediately prior to the Effective Time shall be the provisions of the Articles of Incorporation and the Bylaws of the Surviving Corporation. The officers and directors of NSR holding office immediately prior to the Effective Time shall be the officers and directors of the Surviving Corporation, and they shall serve until their successors are duly appointed or elected.

4. Conditions to the Merger. The obligations of NSR and the obligations of SRTA under this Agreement are subject to and shall be conditioned upon the satisfaction, or waiver (in whole or in part) in writing, of each of the following conditions:

(i) NSR and SRTA shall have obtained any necessary approval and authority (without unusual conditions) of the Interstate Commerce Commission ("ICC") and any other regulatory agency having jurisdiction, or shall have obtained, or shall have complied with such requirements as necessary to avail themselves of any, exemption from regulation by the ICC and any other regulatory agency having jurisdiction. Each of such approvals, authorities and exemptions shall remain in full force and effect at the Effective Time and such approvals, authorities and exemptions, and the transactions contemplated hereby, shall not have been contested by any Federal or state governmental agency by formal proceeding; and

(ii) No one or more of NSR and SRTA shall be subject to any order, decree or injunction of a court or agency of competent jurisdiction which enjoins or prohibits the consummation of the Merger.

5. Termination. Anything in this Agreement to the contrary notwithstanding, this Agreement may be terminated and the Merger provided for herein may be abandoned any time prior to the Effective Time by mutual agreement of NSR and SRTA evidenced by resolutions of the Boards of Directors of NSR and SRTA.

6. Modification of Agreement; Waiver. This Agreement may, subject to applicable law, be amended by action of the Boards of Directors of NSR and SRTA and any provision of this Agreement may be waived at any time by the party which is entitled to the benefits thereof.

7. Counterparts. This Agreement may be signed in one or more counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf by its officer thereunto duly authorized as of the day and year first written above.

NORFOLK SOUTHERN RAILWAY COMPANY

ATTEST:

Secretary

By: L. I. Prillaman, Vice President

SOUTHERN RAIL TERMINALS OF ALABAMA, INC.

ATTEST:

Secretary

By: L. I. Prillaman, Vice President

SOUTHERN RAILWAY COMPANY

ARTICLES OF AMENDMENT

1. The name of the Corporation, as is now appears on the records of the State Corporation Commission, is SOUTHERN RAILWAY COMPANY.

2. These Articles of Amendment shall be effective as of 11:59 p.m., December 31, 1990.

3. The text of the amendment adopted is as follows:

Strike Article I of the Company's Restated Articles of Incorporation and subetitute in lieu thereof the following:

ARTICLE I

The name of the Corporation is NORFOLK SOUTHERN RAILWAY COMPANY.

4. The amendment was adopted on December 14, 1990.

5. The Board of Directors, by unanimous written consent effective September 26, 1990, proposed and recommended adoption of the amendment and directed that it be submitted to a vote at a Special Meeting of Stockholders on December 14, 1990.

The Company's two classes of stock with shares outstanding are its (i) Common Stock, having a stated value of $10.00 per share ("Common"), and (ii) $2.60 Cumulative Preferred Stock, Series A ("Preferred"), no dividend on which is in arrears. Because of the nature of the proposed amendment, which changes the name of the Company only, neither Virginia law nor the Company's Restated Articles of Incorporation entitles holders of Common or of Preferred to a class vote.

As of the record date of October 19, 1990, there were issued and outstanding a total of 17,866,128 shares of all such stock (1,197,131 shares of Preferred and 16,668,997 shares of Common), of which 17,765,015 shares were entitled to one vote per share on the amendment. On December 14, 1990, 17,467,200 shares were voted for, and 47,284 shares were voted against, the amendment. The amendment thus received on that date a sufficient number of votes, more than two thirds of the votes entitled to be cast, to be approved.

SOUTHERN RAILWAY COMPANY

By [signature]
Arnold B. McKinnon
President and Chief Executive Officer

[SEAL]

Attest [signature]
Mahlon D. Edwards
Corporate Secretary

Dated: December 14, 1990.

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

December 18, 1990

The State Corporation Commission has found the accompanying articles submitted on behalf of

NORFOLK SOUTHERN RAILWAY COMPANY
(FORMERLY SOUTHERN RAILWAY COMPANY)

to comply with the requirements of law, and confirms payment of all related fees.

Therefore, it is ORDERED that this

CERTIFICATE OF AMENDMENT

be issued and admitted to record with the articles of amendment in the Office of the Clerk of the Commission, effective December 31, 1990 at 11:59 P.M.

The corporation is granted the authority conferred on it by law in accordance with the articles, subject to the conditions and restrictions imposed by law.

STATE CORPORATION COMMISSION

By T.V. Morrison Jr.
Commissioner

AMENACPT
CIS20436
90-12-17-0259

Commonwealth of Virginia

State Corporation Commission

I, William J. Bridge, Clerk of the State Corporation Commission, do hereby certify that

the foregoing is a true copy of the ARTICLES OF AMENDMENT of NORFOLK SOUTHERN RAILWAY COMPANY issued December 31, 1990.

Nothing more is hereby certified.

In Testimony Whereof I hereunto set my hand and affix the Official Seal of the State Corporation Commission, at Richmond, this 11 day of January A. D. 19 91

STATE CORPORATION COMMISSION
VIRGINIA
SIC SEMPER TYRANNIS
1903

William J. Bridge
Clerk of the Commission

ARTICLES OF MERGER

OF

TRANSYLVANIA RAILROAD COMPANY

WITH AND INTO

SOUTHERN RAILWAY COMPANY

Pursuant to Section 13.1-720 of the Code of Virginia, the undersigned corporations hereby set forth the following Articles of Merger:

FIRST: The Plan of Merger is as follows:

1. Parties to the Merger. Transylvania Railroad Company, a North Carolina corporation ("Transylvania"), shall be merged with and into Southern Railway Company, a Virginia corporation ("Southern"), and Southern shall be the surviving corporation.

2. Name of Surviving Corporation. The name which the surviving corporation shall have after the merger shall be:

Southern Railway Company

3. Terms and Conditions. The merger shall occur on such date and at such time as shall be specified in the Articles of Merger (the "Merger Date"). On the Merger Date, the merger shall have the effect specified in Section 55-110 of the General Statutes of North Carolina and in Section 13.1-721 of the Code of Virginia. The Plan of Merger may be abandoned by Transylvania and Southern at any time prior to the Merger Date pursuant to resolutions of the boards of directors of both companies.

4. Conversion of Shares. On the Merger Date, each share of common stock of Transylvania then issued shall be cancelled and all certificates theretofore representing shares of common stock of Transylvania shall be cancelled and cease to represent any interest in Transylvania. No cash or shares or other securities or obligations will be distributed or issued upon cancellation of the shares of common stock of Transylvania. Each share of common stock of Southern outstanding immediately prior to the Merger Date shall remain outstanding immediately after the Merger Date as an identical share of Southern, the surviving corporation. No common shares of Southern and no shares, securities or obligations convertible into common shares of Southern are to be issued or delivered as a result of the merger.

5. Charter. The merger will not effect any changes in the Charter or Articles of Incorporation of Southern, the surviving corporation.

SECOND: Pursuant to Section 13.1-718(G) and Section 13.1-719(A) of the Code of Virginia, no approval of the Plan of Merger by the shareholders of Southern, the surviving corporation, or of Transylvania was required.

THIRD: The Plan of Merger was adopted by the unanimous written consent of the directors of Southern and Transylvania.

FOURTH: The merger shall become effective and be deemed to be completely consummated at 12:01 a.m. on December 1, 1988. The Certificate of Merger shall become effective at 12:01 a.m. on December 1, 1988.

IN WITNESS WHEREOF, we have hereunto set our hands this 14th day of November, 1988.

SOUTHERN RAILWAY COMPANY

By: [signature]
Vice President

[SEAL]

Attest: [signature]
Corporate Secretary

TRANSYLVANIA RAILROAD COMPANY

By: [signature]
Vice President

Attest: [signature]
Corporate Secretary

[SEAL]

COMMONWEALTH OF VIRGINIA)
) ss:
CITY OF NORFOLK)

This is to certify that on this 3rd day of November, 1988, before me, a notary public, personally appeared R. E. L. deButts and Mahlon D. Edwards, each of whom, being by me first duly sworn, declared that he signed the foregoing document as Vice President and Corporate Secretary, respectively, of Southern Railway Company, that he was authorized so to sign, and that the statements therein contained are true.

Witness my hand and official seal, this 3rd day of November, 1988.

[illegible]
Notary Public

My commission expires:

COMMONWEALTH OF VIRGINIA)
) ss:
CITY OF NORFOLK)

This is to certify that on this 14th day of November, 1988, before me, a notary public, personally appeared R. E. L. deButts and Mahlon D. Edwards, each of whom, being by me first duly sworn, declared that he signed the foregoing document as Vice President and Corporate Secretary, respectively, of Transylvania Railroad Company, that he was authorized so to sign, and that the statements therein contained are true.

Witness my hand and official seal, this 14th day of November, 1988.

Notary Public

My commission expires: [illegible]

SCC98

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002800

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

RICHMOND, December 1, 1988

The accompanying articles having been delivered to the State Corporation Commission on behalf of

Transylvania Railroad Company (a N.C. corp not dom , in VA.)

and the Commission having found that the articles comply with the requirements of law and that all required fees have been paid, it is

ORDERED that this CERTIFICATE OF MERGER

be issued, and that this order, together with the articles, be admitted to record in the office of the Commission; and that Transylvania Railroad Company (a N.C. corp not dom , in VA.) be merged into SOUTHERN RAILWAY COMPANY the surviving corporation, which shall continue to be a corporation existing under the laws of the State of Virginia with the corporate name SOUTHERN RAILWAY COMPANY and that the separate existence of the corporations parties to the plan of merger, except the surviving corporation, shall cease, effective December 1, 1988, at 12:01 A.M.

STATE CORPORATION COMMISSION

By Elizabeth B Lacy
Commissioner

ARTICLES OF MERGER

OF

CAROLINA AND NORTHWESTERN RAILWAY COMPANY

INTO

SOUTHERN RAILWAY COMPANY

Pursuant to Section 13.1-720 of the Code of Virginia, the undersigned corporations hereby set forth the following Articles of Merger:

FIRST: The Plan of Merger is as follows:

1. Parties to Merger. Carolina and Northwestern Railway Company ("C&NW"), a corporation incorporated in Virginia and North Carolina, shall be merged into Southern Railway Company ("Southern"), a Virginia corporation. Southern is the owner of all the outstanding shares of stock of C&NW and Southern shall be the surviving corporation.

2. Name of Surviving Corporation. The name which the surviving corporation shall have after the merger shall be:

Southern Railway Company

3. Terms and Conditions. The merger shall occur on such date and at such time as shall be specified in the Articles of Merger (the "Merger Date"). On the Merger Date, the merger shall have the effect stated in Section 55-110 of the General Statutes of North Carolina and in Section 13.1-721 of the Code of Virginia. This Plan of Merger may be abandoned by C&NW and Southern at any time prior to the Merger Date pursuant to resolutions of the boards of directors of both companies.

4. Conversion of Shares. On the Merger Date, each share of common stock of C&NW then issued shall be cancelled and all certificates theretofore representing shares of common stock of C&NW shall be cancelled and cease to represent any interest in C&NW. No cash or shares or other securities or obligations will be distributed or issued upon cancellation of the shares of common stock of C&NW. Each share of stock of Southern outstanding immediately prior to the Merger Date shall remain outstanding immediately after the Merger Date as an identical share of Southern and no shares, securities

or obligations convertible into shares of Southern are to be issued or delivered as a result of the merger.

5. Charter. The merger will not effect any changes in the Charter or Articles of Incorporation of Southern, the surviving corporation.

SECOND: Pursuant to Section 13.1-719 of the Code of Virginia, no approval of the Plan of Merger by the shareholders of Southern, the surviving corporation, was required after the Board of Directors of Southern approved the Plan of Merger.

THIRD: The Plan of Merger was adopted by the unanimous consent of Southern, the sole shareholder of C&NW.

FOURTH: The merger shall become effective and be deemed to be completely consummated at 12:01 a.m. on June 1, 1988. The certificate of merger shall become effective at 12:01 a.m. on June 1, 1988.

IN WITNESS WHEREOF, we have hereunto set our hands this ____ day of ____, 1988.

CAROLINA AND NORTHWESTERN RAILWAY COMPANY

By: T. H. Kerr
Vice President

Attest: Mollie D. Edwards
Corporate Secretary

SOUTHERN RAILWAY COMPANY COMPANY

By: [signature]
Vice President

Attest: Mollie D. Edwards
Corporate Secretary

COMMONWEALTH OF VIRGINIA)
) ss:
CITY OF NORFOLK)

This is to certify that on this 9th day of May, 1988, before me, a notary public, personally appeared [illegible] and [illegible] each of whom, being by me first duly sworn, declared that he signed the foregoing document as Vice President and Corporate Secretary, respectively, of Southern Railway Company, that he was authorized so to sign, and that the statements therein contained are true.

Witness my hand and official seal, this 9th day of May, 1988.

[illegible]
Notary Public

My commission expires: JULY 18, 19[illegible]

[illegible]

[illegible] personally appeared [illegible] being by me duly sworn, declared that he signed the foregoing document as Vice President and Corporate Secretary, respectively, of Carolina and North Western Railway Company, that he was authorized so to sign, and that the statements therein contained are true.

Witness my hand and official seal, this [illegible] day of [illegible], 1944.

[illegible]
Notary Public

My commission expires [illegible]

702900

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

RICHMOND, June 1, 1988

The accompanying articles having been delivered to the State Corporation Commission on behalf of

CAROLINA AND NORTHWESTERN RAILWAY COMPANY

and the Commission having found that the articles comply with the requirements of law and that all required fees have been paid, it is

ORDERED that this CERTIFICATE OF MERGER

be issued, and that this order, together with the articles, be admitted to record in the office of the Commission; and that CAROLINA AND NORTHWESTERN RAILWAY COMPANY be merged into SOUTHERN RAILWAY COMPANY the surviving corporation, which shall continue to be a corporation existing under the laws of the State of Virginia with the corporate name SOUTHERN RAILWAY COMPANY and that the separate existence of the corporations parties to the plan of merger, except the surviving corporation, shall cease, effective June 1, 1988, at 12:01 A.M.

STATE CORPORATION COMMISSION

By Elizabeth B. Lacy
Commissioner

In the Clerk's Office of the Circuit Court City of Roanoke.

SOUTHERN RAILWAY COMPANY

Articles of Reduction

1. The name of the corporation is

SOUTHERN RAILWAY COMPANY

2. On January 22, 1980, the Board of Directors of the corporation adopted the following resolution:

> RESOLVED, that the 276,820 shares of $3.00 Cumulative Convertible Preference Stock, Series A (Preference Stock, Series A), held in the treasury of the corporation as the result of the conversion of such shares to shares of no-par Common Stock of the corporation, be cancelled as of January 31, 1980, and the stated capital of the corporation be reduced by $11,072,800, the difference between the stated capital of such shares being cancelled and the stated capital of the common shares issued in exchange therefor; that the 27,150 shares of Preference Stock, Series A, held in the Treasury of the corporation as the result of the redemption of such shares, be cancelled as of January 31, 1980, and the stated capital of the corporation be further reduced by $1,357,500; and that after the cancellation of such shares the stated capital of the corporation will be $224,943,610 as of February 1, 1980.

3. After giving effect to the cancellation of the shares of Preference Stock, Series A, as provided for in the foregoing resolution, the aggregate number of the issued shares of the corporation as of February 1, 1980, will be as follows:

Class and Series	Par Value of Shares Or No-Par Value	Number of Shares Issued
Preferred, Series A	No-Par	1,198,611
Common	No-Par	16,501,306

President

Secretary

Dated: January 24, 1980.

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND,

The accompanying articles having been delivered to the State Corporation Commission on behalf of

and the Commission having found that the articles comply with the requirements of law and that all required fees have been paid, it is

ORDERED that this CERTIFICATE OF

be issued, and that this order, together with the articles, be admitted to record in the office of the Commission; and that the corporation have the authority conferred on it by law in accordance with the articles, subject to the conditions and restrictions imposed by law.

STATE CORPORATION COMMISSION

By [illegible]
Commissioner

ARTICLES OF AMENDMENT
OF THE
ARTICLES OF INCORPORATION
OF
SOUTHERN RAILWAY COMPANY

1. The name of the Corporation is SOUTHERN RAILWAY COMPANY.

2. The amendment adopted is the Restated Articles of Incorporation of the Corporation attached hereto as Exhibit A and incorporated herein by reference.

3. On December 5, 1978 the Board of Directors of the Corporation found the amendment to be in the best interests of the Corporation and directed that it be submitted to a vote at a meeting of stockholders. On December 19, 1978, notice of such meeting, accompanied by a copy of the amendment, was given in the manner provided in the Virginia Stock Corporation Act to each stockholder of record entitled to vote. On February 1, 1979, the amendment was adopted by the stockholders.

4. The number of shares outstanding, the number of shares entitled to vote on the amendment, and the number of shares voted FOR and AGAINST the amendment, by class, are as follows:

Class	Number of Shares: Outstanding	Entitled to Vote	Voted FOR	Voted AGAINST
Preferred Stock, $10 par value	5,993,052	5,479,884	4,259,526	222,668
$3 Three Year Cumulative Convertible Serial Preference Stock, without par value	[illegible]	[illegible]	256,563	5,402
Common Stock, without par value	16,0[illegible]	14,[illegible]	11,744,469	182,620
Total	22,[illegible]	20,[illegible]	16,260,556	410,690

5. The amount of stated capital of the Corporation on the effective date of the amendment is $[illegible].

Dated February 1, 1979

SOUTHERN RAILWAY COMPANY

By ....
Vice President

and by ....
Secretary