



SEABOARD COAST LINE RAILROAD COMPANY

Treasury Department
P. O. Box 27581
Richmond, Virginia 23261

RECORDATION NO. 11906-B FROM 1425

LEONARD G. ANDERSON
VICE PRESIDENT AND TREASURER

OCT 2 1980 -3 40 PM
September 30, 1980

INTERSTATE COMMERCE COMMISSION

Honorable Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
Washington, D. C. 20423

No.

Date OCT 2 1980

Fee \$ 50.00

ICC Washington, D. C.

76A076

RECEIVED
OCT 2 3 33 PM '80
T.C.C.
FEE OPERATION BR.

Dear Mrs. Mergenovich:

I am enclosing for filing and recordation under the provisions of 49 U.S.C. § 11303 counterparts Nos. 1 through 6 of a Sublease of Railroad Equipment dated as of June 2, 1980, to an agreement dated as of June 2, 1980, constituting Clinchfield Railroad Equipment Trust, Series J, filed with your Commission on June 12, 1980, at 3:00 p.m. and assigned Recordation No. 11906.

1. Names and addresses of the parties to the Sublease of Railroad Equipment

(a) Sublessor - Seaboard Coast Line Railroad Company, Richmond, Virginia 23230, and Louisville and Nashville Railroad Company, Louisville, Kentucky 40201, which two companies operate, among other lines of railroad, the line known as "Clinchfield Railroad Company", leased from Carolina, Clinchfield and Ohio Railway and Carolina, Clinchfield and Ohio Railway of South Carolina

(b) Sublessee - Louisville and Nashville Railroad Company, Louisville, Kentucky 40201

2. Description of equipment covered by the Sublease
Identifying marks

CLINCHFIELD RAILROAD EQUIPMENT TRUST, SERIES J —
MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
BALTIMORE, MARYLAND, TRUSTEE, OWNER, LESSOR.

Leonard G. Anderson
Agatha L. Mergenovich

<u>General</u> <u>Description</u>	<u>Type of Equipment</u>	<u>A.A.R.</u> <u>Mech.</u> <u>Desig.</u>	<u>No.</u>	<u>Road Numbers</u>
Quadruple hopper cars	100-ton open top	HT	100	L&N 551000-551099, inc.

3. Counterparts Nos. 2 through 6 should be returned to Mr. Woodruff M. Price, 1000 Connecticut Avenue, N.W., Washington, D. C. 20036, acting on my behalf.

I am enclosing voucher in the amount of \$50.00 covering the recordation fee for the above mentioned document.

Yours very truly,

SEABOARD COAST LINE RAILROAD COMPANY

By



Leonard G. Anderson
Vice President and Treasurer

Interstate Commerce Commission
Washington, D.C. 20423

10/2/80

OFFICE OF THE SECRETARY

Leonard G. Anderson
Vice President & Treasurer
SeaBoard Coast Line RR Co.
P.O.Box 27581
Richmond, VA. 23261

Dear **Sir:**

The enclosed document (s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **10/2/80** at **3:40pm**, and assigned recordation number (s). *11906-B*

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

OCT 2 1980 -3 40 PM

COUNTERPART NO. 1 OF
6 COUNTERPARTS.

INTERSTATE COMMERCE COMMISSION

SUBLEASE OF RAILROAD EQUIPMENT, dated as of June 2, 1980, between SEABOARD COAST LINE RAILROAD COMPANY, a Virginia corporation, and LOUISVILLE AND NASHVILLE RAILROAD COMPANY, a Kentucky corporation, which two railroad companies jointly operate the line of railroad known as the CLINCHFIELD RAILROAD COMPANY (hereinafter referred to as Sublessor), and LOUISVILLE AND NASHVILLE RAILROAD COMPANY (hereinafter referred to as Sublessee).

WITNESSETH THAT:

WHEREAS, the Sublessor has entered into Clinchfield Railroad Company Equipment Trust, Series J, dated as of June 2, 1980 (hereinafter called the Trust) with Mercantile-Safe Deposit and Trust Company (hereinafter called the Trustee) in the form attached hereto marked Exhibit 1 providing for the delivery to the Sublessor of railroad equipment described in Section 3.1 thereof; and

WHEREAS, the Sublessee desires to lease one hundred (100) 100-ton open top quadruple hopper cars, serial numbers L&N 551000-551099 (hereinafter referred to as Equipment), at the rentals and for the terms and upon the conditions hereinafter provided;

NOW, THEREFORE, in consideration of the premises and of the rentals to be paid and the covenants hereinafter mentioned to be kept and performed by the Sublessee, the Sublessor hereby subleases the Equipment to the Sublessee upon the following terms and conditions, subject, however, upon default of the Sublessor under the Trust, to all the rights and remedies of the Trustee under the Trust:

1. Acceptance of equipment. The Sublessee represents that it has determined that all items of Equipment subleased hereunder are suitable for the use intended, and that it has inspected the same and accepts the same as delivered. The Sublessee acknowledges that the Sublessor has made no representations or warranties, oral or written, express or implied, in connection with the Equipment. The Sublessee hereby waives and agrees not to assert any defense as against the Sublessor by reason of any defect in the Equipment or any warranties, representations, service, or maintenance agreements, express or implied, made by the manufacturer or distributor of the Equipment or any other person or firm.

2. Rental. The Sublessee agrees to pay to the Sublessor at 3600 West Broad Street, Richmond, Virginia, or such other

place as Sublessor may designate, rental for the use of the Equipment in the following amounts:

(a) Fifteen (15) consecutive annual payments equal to one-fifteenth (1/15) of the total cost of the Equipment (except for appropriate adjustment of the final payment in case the total amount payable shall not, when divided by fifteen, result in an amount ending in an integral cent), commencing June 2, 1981, and ending June 2, 1995, and

(b) Thirty (30) consecutive semiannual payments equal to the unpaid portion of the total cost of the Equipment subject to this Sublease multiplied by the rate of interest payable as dividends on the Trust Certificates, commencing December 2, 1980, and ending June 2, 1995.

3. Sublease term. The term of this Sublease as to each unit shall begin on the date such unit is accepted and delivered and, subject to the provisions of paragraphs 8 and 10 hereof, shall terminate on June 2, 1995.

4. Maintenance. During the period any item of Equipment is subleased hereunder, the Sublessee shall maintain, service, and keep same in good repair at its own expense, except for normal wear, tear, or depreciation. The Sublessee shall comply with all laws and regulations applicable to all items of Equipment and shall keep them free and clear of any claims, liens, or encumbrances. All risk of loss or damage to each item of Equipment shall be borne by the Sublessee.

5. Title to equipment; markings. Title to each item of Equipment shall remain in the Sublessor at all times. All attachments, accessories, repairs, remodeling, and renewals at any time made to or placed upon the Equipment shall become a part thereof and be the property of the Sublessor unless they are readily removable. The units have been marked as required by the Trust. Sublessee shall keep and maintain such markings and shall not remove or change such markings without written consent of Sublessor.

6. Indemnification. The Sublessee agrees to indemnify, protect, save, and keep harmless the Sublessor, its agents,

servants, successors, and assigns from and against all losses, damages, injuries, claims, demands, and expenses, including legal expenses, of whatsoever nature arising out of the use, condition (including, but not limited to, latent and other defects and whether or not discoverable by it), or operation of any item of Equipment by whomsoever used or operated and to defend any suit seeking such damages even though the allegations of such suit are groundless, false, or fraudulent.

7. Taxes. All payments to be made by the Sublessee hereunder will be free of expense to the Sublessor for collection or other charges and will be free of expense to the Sublessor with respect to the amount of any local, state, or federal taxes (other than any United States federal income tax payable by the Sublessor in consequence of the receipt of payments provided for herein and other than the aggregate of all state or city income taxes or franchise taxes measured by net income based on such receipts, up to the amount of any such taxes which would be payable to the state and city in which the Sublessor has its principal place of business without apportionment to any other state, except any such tax which is in substitution for or relieves the Sublessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as herein provided) or license fees, assessments, charges, fines or penalties (all such expenses, taxes, license fees, assessments, charges, fines and penalties being hereinafter called Impositions) hereafter levied or imposed upon or in connection with or measured by this Sublease or any sale, rental, use, payment, shipment, delivery or transfer of title under the terms hereof or the Trust, all of which Impositions the Sublessee assumes and agrees to pay on demand in addition to the payments to be made by it provided for herein. The Sublessee will also pay promptly all Impositions which may be imposed upon any unit or for the use or operation thereof or upon the earnings arising therefrom (except as provided above) or upon the Sublessor solely by reason of its financing thereof and will keep at all times all and every part of such unit free and clear of all Impositions which might in any way affect the rights of the Sublessor or result in a lien upon any such unit; provided, however, that the Sublessee shall be under no obligation to pay any Impositions of any kind so long as it is contesting in good faith and by appropriate legal proceedings such Impositions and the nonpayment thereof does not, in the opinion of the Sublessor, adversely affect the property

or rights of the Sublessor hereunder or of the Sublessor under the Trust. If any Impositions shall have been charged or levied against the Sublessor directly and paid by the Sublessor, the Sublessee shall reimburse the Sublessor on presentation of an invoice therefor.

In the event that the Sublessor shall become obligated to make any payment to the Trustee or otherwise pursuant to Article VI of the Trust not covered by the foregoing paragraph of this paragraph 7, the Sublessee shall pay such additional amounts (which shall also be deemed Impositions hereunder) to the Sublessor as will enable the Sublessor to fulfill completely its obligations pursuant to said Article VI.

8. Payment for Casualty Occurrences. In the event that any unit of Equipment shall be withdrawn from use for substantial repairs (other than running repairs) or become worn out, unsuitable for use, not needed or lost or destroyed (such occurrences being hereinafter called Casualty Occurrences) during the term of this Sublease, the Sublessee shall promptly and fully inform the Sublessor with respect thereto and comply fully with the provisions of Section 4.7 of the Trust.

9. Reports. Sublessee shall also be required to prepare and submit to the Sublessor any reports regarding the condition, location, or maintenance of the Equipment which Sublessor is required to submit pursuant to Section 4.7 of the Trust.

10. Default. If, during the continuance of this Sublease, an Event of Default, as defined in the Trust, shall occur, then, in any such event, the Sublessor, at its option, may proceed to enforce performance by the Sublessee of the applicable covenants of said Trust.

11. Assignment and subletting. The Sublessee shall not sublet any item of Equipment without the prior written consent of the Sublessor.

12. Expiration of Sublease. At the expiration of this Sublease, title to the Equipment shall vest in the Sublessee upon the Sublessee's payment of \$1.00 to the Sublessor for each unit still in existence at the time.

13. Miscellaneous. The titles or headings to the paragraphs of this Sublease are not a part of this Sublease and shall have no effect upon the construction or interpretation of any part thereof. The agreement to pay rent on the part of the Sublessee is an independent covenant and is not conditional upon other performance. This Sublease shall be interpreted under the laws of the Commonwealth of Virginia. Any provision hereof found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the rest of this Sublease. This Sublease, subject to the prohibition against assignment contained herein, shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns.

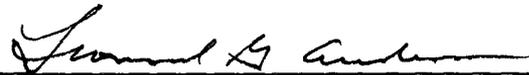
In witness whereof, the undersigned parties have executed this Sublease on the date specified above.

SUBLESSOR

Attest:

SEABOARD COAST LINE RAILROAD COMPANY


Assistant Secretary
[Corporate Seal]

By 
Vice President and Treasurer

Attest:

LOUISVILLE AND NASHVILLE RAILROAD COMPANY


Assistant Secretary
[Corporate Seal]

By 
Assistant Vice President

SUBLESSEE

Attest:

LOUISVILLE AND NASHVILLE RAILROAD COMPANY


Assistant Secretary
[Corporate Seal]

By 
Assistant Vice President

STATE OF VIRGINIA)
) ss
CITY OF RICHMOND)

On this *15TH* day of *AUGUST*, 1980, before me personally appeared Leonard G. Anderson, to me personally known, who, being by me duly sworn, says that he is Vice President and Treasurer of SEABOARD COAST LINE RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Notarial Seal]

J. H. Chapman

Notary Public

My commission expires *APR 26 1982*

COMMONWEALTH OF KENTUCKY)
) ss
COUNTY OF JEFFERSON)

On this *21st* day of *August*, 1980, before me personally appeared *D. G. Watkins*, to me personally known, who, being by me duly sworn, says that he is an Assistant Vice President of LOUISVILLE AND NASHVILLE RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Notarial Seal]

Norma J. Jones

Notary Public

My commission expires *March 4, 1981*

