SCL/L&N
GEORGIA·CLINCHFIELD
WEST POINT ROUTE

THE FAMILY LINES RAIL SYSTEM

500 Water Street · Jacksonville, Florida 32202 · Telephone (904) 359-3100

Edward C. Tannen
Assistant General Attorney
Seaboard Coast Line Railroad Company

LAW DEPARTMENT
Writer's direct telephone line: 359-3672

RECORDATION NO. 7501-D Filed 1425

August 26, 1981

AUG 31 1981 11 30 AM

INTERSTATE COMMERCE COMMISSION

1-243A010

No.
Date AUG 31 1981
Fee $ 50.00
ICC Washington, D. C.

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

Dear Mrs. Mergenovich:

I am enclosing for filing and recordation under the provisions of 49 U.S.C. Section 11303 counterparts Nos. 1, 2, and 3 of a sublease dated as of August 15, 1980, to a Conditional Sale Agreement and Agreement and Assignment thereof, both dated as of April 1, 1974, filed with your Commission on May 7, 1974, at 2:45 p.m., Recordation No. 7501. Such supplement provides by its terms that each counterpart shall be deemed an original and, accordingly, counterpart No. 1 may be treated as the original and the others as counterparts thereof.

1. Names and addresses of the parties to the Sublease

   (a) Sublessor - Seaboard Coast Line Railroad Company, 500 Water Street, Jacksonville, Florida 32202.

   (b) Joint Sublessees - Seaboard Coast Line Railroad Company and Louisville and Nashville Railroad Company, both at 500 Water Street, Jacksonville, Florida 32202.

2. Description of equipment covered by the first supplement

   Identifying marks

   "Owned by a Bank or Trust Company under a Security Agreement filed with the Interstate Commerce Act, Section 20c.

General Description	Type of Equipment	A.A.R. Mech. Designation	No.	Road Number
Diesel Electric Locomotive	Model GP-7	B-B	1	CRR 4609

3. Counterparts Nos. 2 and 3 of the above mentioned document should be returned to the undersigned at 500 Water Street, Jacksonville, Florida 32202.

I am enclosing this Company's check covering the recordation fee for the above-mentioned document.

Yours very truly,

SEABOARD COAST LINE RAILROAD COMPANY

By Edward C. Tannen
Edward C. Tannen
Assistant General Attorney

Interstate Commerce Commission

Washington, D.C. 20423

9/2/81

OFFICE OF THE SECRETARY

Edward C. Tannen
Assistant General Attorney
500 Water Street
Jacksonville, Florida 32202

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 8/31/81 at 11:30am, and assigned re-recordation number(s).

7501-A
7558-G
13088-F
13088-G
13088-H
13088-I

Sincerely yours,

Agatha L. Mergenovich

Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

RECORDATION NO. 7501-N Filed 1425

AUG 31 1981 - 11 30 AM

INTERSTATE COMMERCE COMMISSION

SUBLEASE OF RAILROAD EQUIPMENT dated as of August 15, 1980, between SEABOARD COAST LINE RAILROAD COMPANY, a Virginia corporation (hereinafter called "SCL"), and SCL and LOUISVILLE AND NASHVILLE RAILROAD COMPANY, which two lines of railroad jointly operate the line of railroad known as the Clinchfield Railroad Company (hereinafter collectively called the "Clinchfield").

WITNESSETH THAT:

WHEREAS, SCL has acquired one diesel-electric GP-16 locomotive, bearing road number CRR 4609, and financed such acquisition through a Conditional Sale Agreement ("CSA") dated as of April 1, 1974.

WHEREAS, the Clinchfield desires to lease said locomotive, (the "Unit") 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 Clinchfield, SCL hereby leases the Unit to the Clinchfield upon the following terms and conditions subject, however, upon default of SCL under the CSA to all the rights and remedies of Mercantile-Safe Deposit and Trust Company, Agent under the CSA.

SECTION 1. Delivery and Acceptance of Units. The SCL will cause the Unit to be delivered to the Clinchfield at the point or points within the United States of America at which such Unit is delivered to SCL under the CSA, whereupon such Unit shall be deemed to have been delivered to and accepted by the Clinchfield and shall be subject thereafter to all the terms and conditions of this Sublease.

SECTION 2. Rentals. The Clinchfield agrees to pay to SCL as rental for each Unit subject to this Sublease consecutive semiannual payments, payable on June 1 and December 1 in each year commencing with June 1, 1982 (or if any such date is not a business day on the next succeeding business day). Rental shall be in an amount equal to such amount as SCL is obligated to pay the Lessor or rental pursuant to Article 4 of the Lease for such Units. Such rental shall be payable to SCL, or as SCL may from time to time instruct the Clinchfield.

This Lease is a net lease and the Clinchfield shall not be entitled to any abatement of rent, reduction thereof or setoff against rent, including, but not limited to, abatements, reductions or setoffs due or alleged to be due by reason of any past, present or future claims of the Clinchfield against SCL under this Sublease; nor, except as otherwise expressly provided herein, shall this Sublease terminate, or the respective

obligations of the SCL or the Clinchfield be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use or destruction of the Unit from whatsoever cause, any liens, encumbrances or rights of others with respect to the Unit, the prohibition of or other restriction against the Clinchfield's use of the Unit, the interference with such use by any person or entity, the invalidity or unenforceability or lack of due authorization of this Sublease, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Clinchfield hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Sublease. To the extent permitted by applicable law, the Clinchfield hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Units except in accordance with the express terms hereof. Each rental or other payment made by the Clinchfield hereunder shall be final and the Clinchfield shall not seek to recover all or any part of such payment from SCL for any reason whatsoever.

SECTION 3. Terms of Sublease. The term of this Sublease shall begin on the date such Unit is accepted and delivered and, subject to the provisions of Sections 6, 9 and 12 hereof, shall terminate on the date on which the final payment of the rent in respect thereof is due hereunder.

Notwithstanding anything to the contrary contained herein, all rights and obligations under this Sublease and in and to the Unit, upon default by SCL under the CSA, are subject to the rights of the Agent thereunder. If an event of default should occur under the CSA, the Agent may terminate this Sublease.

SECTION 4. Identification Marks. The Clinchfield will cause the Unit to be kept numbered and marked as provided in Article 7 of the CSA, and will maintain such numbers and markings as provided in said section, and will be bound in this Sublease to all the provisions thereof.

SECTION 5. Impositions. All payments to be made by the Clinchfield hereunder will be free of expense to SCL for collection or other charges and will be free of expense to SCL with respect to the amount of any impositions,as that term is defined in Article 5 of the CSA, and the Clinchfield shall be obligated to make any and all payments and file all reports

which SCL is required to pay and file pursuant to said Article 5.

SECTION 6. Maintenance; Payment for Casualty Occurrences: Compliance with Laws and Rules. This Sublease shall in all respects be governed by Articles 8 and 9 of the CSA in respect of maintenance of the Unit, payment for casualty occurrences, and Insurance, and the Clinchfield shall be obligated to SCL under this Sublease in such manner as SCL is obligated to the Lessor under the Lease.

SECTION 7. Annual Reports. On or before March 31 in each year, commencing with the calender year 1982, the Clinchfield will furnish to SCL or as SCL shall direct, an accurate statement regarding the condition and state of repair of the Unit as the Clinchfield or the Agent may reasonably request and stating that, in case the Unit shall have been repainted or repaired during the period covered by such statement, the numbers and the markings required by Section 4 hereof and Article 7 of the Lease have been preserved or replaced.

SECTION 8. Default. If, during the continuance of this Sublease, one or more of the following events (each such event being hereinafter sometimes called an "Event of Default") shall occur:

A. default shall be made in payment of any part of the rental provided in Section 2 hereof and such default shall continue for five days.

B. the Clinchfield shall make or permit any unauthorized assignment or transfer of this Sublease or of possession of the Unit,

C. default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Clinchfield contained herein or in the Lease and such default shall continue for 30 days after written notice from SCL to the Clinchfield specifying the default and demanding that the same be remedied;

then, in any such case, SCL at its option, may:

(a) proceed by appropriate court action or actions either at law or in equity, to enforce performance by the Clinchfield of the applicable covenants of this Sublease or to recover damages for the breach thereof; or

(b) by notice in writing to the Clinchfield terminate this Lease, whereupon all rights of the Clinchfield to the use of the Units shall absolutely cease and terminate as though this Lease had never been made, but the Clinchfield shall remain liable as hereinafter provided, and thereupon SCL may by its agents enter upon the premises of the Clinchfield or other premises where any of the Units may be and take possession of all or any of such Units and thenceforth hold, possess and enjoy the same free from any right of the Clinchfield, or its successors or assigns, to use the Units for any purpose whatever; but SCL shall, nevertheless, have a right to recover from the Clinchfield any and all amounts which under the terms of this Sublease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Clinchfield (i) as damages for loss of the bargain and not as a penalty, a sum, with respect to each Unit, which represents the excess of (x) the present value, at the time of such termination, of the entire unpaid balance of all rental for such Unit which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Sublease as to such Unit over (y) the then present value of the rentals which SCL reasonably estimates to be obtainable for the Unit during each period, such present value to be computed in each case on the basis of a 15% per annum discount, compounded semiannually from the respective dates upon which rentals would have been payable hereunder had this Sublease not been terminated, and (ii) any damages and expenses, including reasonable attorneys' fees, in addition thereto which SCL shall have sustained by reason of the breach of any covenant or covenants of this Sublease other than for the payment of rental.

The remedies in this Sublease provided in favor of SCL shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing at law or in equity. The Clinchfield hereby waives any mandatory

requirements of law, now or hereafter in effect, which might limit or modify the remedies herein provided, to the extent that such waiver is permitted by law. The Clinchfield hereby waives any and all existing or future claims to any offset against the rental payments due hereunder, and agrees to make rental payments regardless of any offset or claim which may be asserted by the Clinchfield or on its behalf.

The failure of SCL to exercise the rights granted it hereunder upon the occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

SECTION 9. Return of Unit Upon Default. If this Sublease shall terminate pursuant to Section 8 hereof, the Clinchfield shall forthwith deliver possession of the Unit to SCL. For the purpose of delivering possession of the Unit to SCL as above required, the Clinchfield shall at its own cost, expense and risk:

(a) forthwith place the Unit upon such storage tracks of the Clinchfield as SCL reasonably may designate;

(b) permit SCL to store such Unit on such tracks at the risk of the Clinchfield until such Unit have been disposed of by SCL; and

(c) transport the same to any place on the lines of railroad operated by the Clinchfield or any of its subsidiaries or affiliates or to any connecting carrier for shipment all as directed by SCL.

The assembling, delivery, storage and transporting of the Unit as hereinbefore provided shall be at the expense and risk of the Clinchfield and are of the essence of this Sublease, and upon application to any court of equity having jurisdiction in the premises SCL shall be entitled to a decree against the Clinchfield requiring specific performance of the covenants of the Clinchfield so to assemble, deliver, store and transport the Unit. During any storage period, the Clinchfield will permit SCL or any person designated by it, including the authorized representative or representatives of any prospective purchaser of the Unit, to inspect the same.

Without in any way limiting the obligation of the Clinchfield under the foregoing provisions of this Section 10, the Clinchfield hereby irrevocably appoints SCL as the agent and attorney of the Clinchfield, with full power and authority, at

any time while the Clinchfield is obligated to deliver possession the Unit to SCL, to demand and take possession of such Unit in the name and on behalf of the Clinchfield from whomsoever shall be in possession of such Unit at the time.

SECTION 10. Assignment, Possession and Use. This Sublease shall be assignable in whole or in part by SCL without the consent of the Clinchfield, but the Clinchfield shall be under no obligation to any assignee of SCL except upon written notice of such assignment from SCL. All the rights of SCL hereunder shall inure to the benefit of SCL's assigns (including the partners or any beneficiary of any such assignee if such assignee is a partnership or a trust, respectively). Whenever the term SCL is used in this Sublease it shall apply and refer to each such assignee of SCL.

So long as the Clinchfield shall not be in default under this Sublease and so long as SCL shall not be in default under the Lease, the Clinchfield shall be entitled to the possession and use of the Unit in accordance with the terms of this Sublease and the Lease, but, without the prior written consent of SCL, the Clinchfield shall not assign or transfer its leasehold interest under this Lease in the Unit or any of them. The Clinchfield, at its own expense, will promptly pay or discharge any and all sums claimed by any part which, if unpaid, might become a lien, charge, security interest or other encumbrance (other than an encumbrance resulting from claims against SCL or the Lessor not related to the ownership of the Unit) upon or with respect to the Unit, including any accession thereto, or the interest of SCL, the Lessor or the Clinchfield therein, and will promptly discharge any such lien, claim, security interest or encumbrance which arises. The Clinchfield shall not, without the prior written consent of SCL, part with the possession or control of, or suffer or allow to pass out of its possession or control, the Unit, except to the extent permitted by the provisions of the immediately succeeding paragraph.

So long as the Clinchfield shall not be in default under this Sublease and so long as the SCL shall not be in default under the Lease, the Clinchfield shall be entitled to the possession of the Unit and to the use of the Unit by it or any affiliate upon lines of railroad owned or operated by it or any such affiliate or upon lines of railroad over which the Clinchfield or any such affiliate has trackage or other operating rights or over which railroad equipment of the Clinchfield or any such affiliate is regularly operated pursuant to contract, and also to permit the use of the Unit upon connecting and other carriers in the usual interchange of traffic, but only upon and subject to all the terms and

conditions of this Sublease and the CSA; provided, however, that the Clinchfield shall not assign or permit the assignment of the Unit to service involving the regular operation and maintenance thereof outside the United State of America. The Clinchfield may receive and retain compensation for such use from other railroads so using the Unit.

SECTION 11. Clinchfield to own Unit at Expiration of Term. At the expiration of the term of this Sublease, if the Clinchfield shall have kept all covenants contained in this Sublease, and if SCL is not in default under the CSA, the Clinchfield shall own the Unit, without further payment to SCL. SCL shall deliver to the Clinchfield a bill of sale at the expiration of the term of this Sublease stating that the Clinchfield has title to the Unit, free of any claims, liens, or other encumbrances created by SCL.

SECTION 12. Recording, Expenses. The Clinchfield will cause this Sublease to be filed and recorded with the Interstate Commerce Commission in accordance with 49 U.S.C. Section 11303. The Clinchfield will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, record (and will refile, reregister, deposit and redeposit or re-record whenever required) any and all further instruments required by law or reasonably requested by SCL for the purpose of proper protection, to its satisfaction, of SCL's interests in the Unit, or for the purpose of carrying out the intention of this Sublease or any assignment thereof; and the Clinchfield will promptly furnish to SCL evidences of all such filing, registering, depositing or recording.

SECTION 13. Interest on Overdue Rentals. Anything to the contrary herein contained notwithstanding, any nonpayment of rentals and other obligations due hereunder shall result in the obligation on the part of the Clinchfield promptly to pay, to the extent legally enforceable, an amount equal to 15½% per annum of the overdue rentals for the period of time during which

they are overdue or such lesser amount as may be legally enforceable.

SECTION 14. Severability, Effect and Modification of Sublease. Any provision of this sublease which is prohibited or unenforceable in any jurisdiction, shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

This Sublease exclusively and completely states the rights of SCL and the Clinchfield with respect to the Units and supersedes all other agreements, oral or written, other than the Lease, with respect to the Units. No variation or modification of this Sublease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized officers of the parties hereto.

SECTION 15. Execution. This Sublease may be executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument. Although this Sublease is dated as of August 15, 1980, for convenience, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgements hereto annexed.

SECTION 16. Law Governing. The terms of this Sublease and all rights and obligations hereunder shall be governed by the laws of the Commonwealth of Virginia; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. Section 11303.

IN WITNESS WHEREOF, the parties hereto have executed or caused this instrument to be executed as of the date first above written.

SEABOARD COAST LINE RAILROAD COMPANY, SUBLESSOR AND JOINT LESSEE

By _____
Senior Vice President - Finance

(CORPORATE SEAL)

Attest: _____
Assistant Secretary

LOUISVILLE AND NASHVILLE RAILROAD COMPANY, AS JOINT LESSEE

Senior Vice President - Finance

(CORPORATE SEAL)

Attest:

Assistant Secretary

STATE OF FLORIDA)
(ss.:
COUNTY OF DUVAL)

On this 17th day of ~~July~~ Aug., 1981, before me personally appeared Alex J. Mandl, to me personally known, who, being by me duly sworn, says that he is Senior Vice President - Finance 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.

Judith L. Hughett
Notary Public

My commission expires

(NOTARIAL SEAL) NOTARY PUBLIC, STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES AUG. 5, 1984

STATE OF FLORIDA)
(ss.:
COUNTY OF DUVAL)

On this 17th day of ~~July~~ Aug., 1981, before me personally appeared Alex J. Mandl, to me personally known, who, being by me duly sworn, says that he is Senior Vice President - Finance of LOUISVILLE & 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.

Judith L. Hughett
Notary Public

My commission expires

(NOTARIAL SEAL) NOTARY PUBLIC, STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES AUG. 5, 1984