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RECORDATION NO. _____ Filed & Recorded

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AGREEMENT ~~STATE OF TENNESSEE COMMISSION~~

THIS AGREEMENT made this 13th day of December, 1974, by and between PULLMAN INCORPORATED (Pullman-Standard division) (hereinafter called the Manufacturer) and THE LOUISVILLE & NASHVILLE RAILROAD COMPANY (hereinafter called the Railroad)

WITNESSETH:

The Manufacturer and the Railroad heretofore entered into a Purchase Agreement consisting of Railroad's order dated August 12, 1974 together with Manufacturer's letter dated October 21, 1974 (Manufacturer's lot 9802-B) whereunder the Manufacturer agreed to construct and deliver to the Railroad, and the Railroad agreed to accept and pay for the following railroad equipment (hereinafter called Cars):

100-Ton 60'8 15/16" "Waffle Side" Box Car, 10'0" Door Opening, Freight Master 15" End of Car Cushioning, numbered L&N 470128 to 470227, both inclusive.

Purchase Agreement is by reference made a part of this Agreement as fully as though expressly set forth herein.

Delivery of the Cars is tentatively scheduled to begin December 27, 1974. However, inasmuch as the Railroad has not as yet consummated financing arrangements, it is not in position to accept delivery of and pay for the Cars under the terms of the Purchase Agreement at this time. The Railroad represents that such financing arrangements will be consummated, however, on or before March 1, 1975. The Railroad (in order that it may use the Cars pending completion of the above financing arrangements) has arranged with the Manufacturer to give it temporary custody and possession of the Cars upon their completion, solely as a lessee of such Cars, and the Manufacturer is willing to do so upon the terms and conditions hereinafter stated.

In consideration of the premises, the Manufacturer hereby leases, for a rental of Ten Dollars and Fifty Nine Cents (\$10.59) per car per day, said rental to accrue from January 28, 1975 to the date of consummation of the financing arrangements, for the period ending not later than March 14, 1975, said date being the "Termination Date".

After Railroad's representative finds that each Car upon completion has been built in accordance with the

requirements of the Purchase Agreement, he will execute and deliver to the Manufacturer at its plant a certificate of inspection certifying to that effect. Upon delivery of each Car to the delivery point, the Railroad's representative will execute a certificate of acceptance acknowledging the receipt of delivery of each Car under this Agreement. Title to the Cars shall remain in the Manufacturer and the Railroad's right and interest therein is and shall be solely that of possession, custody and use as lessee under this Agreement. Transfer of title shall be effected only at the time of delivery of the bills of sale. The Railroad, without expense to the Manufacturer, will promptly cause this Agreement to be filed with the Interstate Commerce Commission for recordation under Section 20c of the Interstate Commerce Act. In addition, the Railroad shall do such other acts as may be required by law, or reasonably requested by the Manufacturer, for the protection of the Manufacturer's title to and interest in the Cars.

The Railroad agrees that it will permit no liens of any kind to attach to the Cars; and that it will

- (a) indemnify and save harmless the Manufacturer from any and all claims, expenses or liabilities of whatsoever kind; and
- (b) pay any and all taxes, fines, charges and penalties

that may accrue or be assessed or imposed upon the Cars or the Manufacturer because of its ownership or because of the use, operation, management or handling of the Cars by the Railroad during the term of this lease. The Railroad's obligations contained in this paragraph shall survive the termination by mutual agreement or otherwise of this Agreement.

The Railroad will, at its own expense, keep and maintain the Cars in good order and running condition and will at its option repair or replace or promptly pay to Manufacturer the purchase price in cash of those Cars which may be damaged or destroyed by any cause during the term of this Agreement. If payment is made in cash for a damaged or destroyed Car as aforesaid, rental for such Car shall cease to accrue at the time of such payment. Upon the expiration or other termination of this Agreement the Railroad will surrender and deliver up the Cars in good order and running condition to the Manufacturer free of all charges at the point designated by the Manufacturer.

Prior to the delivery of each Car to the Railroad, it will be numbered with a car number as hereinbefore indicated, and there shall be plainly, distinctly, permanently, and conspicuously placed and fastened upon each side of each Car a metal plate bearing the following or similar legend, or such legend shall be otherwise plainly, distinctly, permanently, and conspicuously marked on each side of each Car, in either case in letters not less than one inch in height:

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

The Railroad hereby agrees to indemnify the Manufacturer against any liability, loss, or expense incurred by it as a result of the placing and fastening of the aforementioned plates or markings on said Cars.

In case, during the continuance of this Agreement, such name plate or mark shall at any time be removed, defaced, or destroyed on any Car, the Railroad shall immediately cause the same to be restored or replaced.

All or any of the rights, benefits or advantages of the Manufacturer, including the right to receive payment of the rental provided for herein, or the right to receive the purchase price of the Cars as provided in the Purchase Agreement, may be assigned by Manufacturer and reassigned by any assignee at any time or from time to time, provided, however, that no such assignment shall subject any such assignee to any of Manufacturer's guarantees, warranties, indemnities, or any other obligations contained in this Agreement or in the Purchase Agreement relating to the Cars. In the event Manufacturer assigns its rights to receive the payments herein and/or under the Proposal, and the Railroad receives written notice thereof from the Manufacturer, together with a counterpart of such assignment stating the identity and the post office address of the assignee, all payments thereafter to be made by the Railroad under this Agreement shall, to the extent so assigned, be made to the assignee against proper receipt therefor in form satisfactory to the Railroad.

In the event of any assignment of the Manufacturer of its rights to receive any payments under this Agreement or under the Purchase Agreement, the rights of such assignee to such payments as may be assigned together with any other rights hereunder which can be and are so assigned, shall not be subject to any defense, set-off, counterclaim, or recoupment whatsoever arising out of any breach of any obligation of the Manufacturer

in respect to the Cars, nor subject to any defense, set-off, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Railroad by the Manufacturer. Any and all such obligations, howsoever arising, shall be and remain enforceable by the Railroad, its successors and assigns only against the Manufacturer and its successors and assigns (other than assignees as such of rights, benefits, or advantages assigned pursuant to this Agreement).

The Railroad agrees with the Manufacturer that the execution by the Manufacturer of this Agreement or the delivery by the Manufacturer to the Railroad of the Cars, as contemplated by this Agreement, shall not relieve the Railroad of its obligations to accept, take, and pay for the Cars in accordance with the terms of the Purchase Agreement, or impair any of the Manufacturer's rights under the Purchase Agreement.

PULLMAN INCORPORATED
(Pullman-Standard division)

By: *Stanley Brown*
Vice President

ATTEST:

William O. O'Leary
Assistant Secretary

LOUISVILLE & NASHVILLE
RAILROAD COMPANY

By: *[Signature]*
(Title)
Asst. Vice President
General Accounting

ATTEST:

W. D. Laff
ATTESTING OFFICER

STATE OF ILLINOIS }
COUNTY OF COOK } ss.:

On this 13th day of December, 1974, before me personally appeared Stanley Brown to me personally known, who, being by me duly sworn, says that he is a Vice President of Pullman-Standard, a division of Pullman Incorporated, that the seal 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.

Emily Gayle Bell
Notary Public

My Commission Expires: November 14, 1978

(SEAL)

STATE OF Kentucky }
COUNTY OF Jefferson } ss.:

On this 13th day of December, 1974, before me personally appeared N. H. Stew to me personally known, who, being by me duly sworn, says that he is Asst. Vice Pres. Gen. Acctg. of L & N R.R. that the seal 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.

Sharon W. Bowles
Notary Public

My Commission Expires: July 26, 1978

(Seal)