

# Southern Railway System

Law Department  
P.O. Box 1808  
Washington, D.C. 20013

RECORDATION NO. 9910 Filed 1425

JAMES L. TAPLEY  
VICE PRESIDENT - LAW

DEC 15 1978 - 10 05 AM  
920 15TH STREET, N.W.  
TEL: (202) 628-4460

INTERSTATE COMMERCE COMMISSION

December 15, 1978  
58104

No. 8-349A021

Date DEC 14 1978

Fee \$ 51

ICC Washington, D. C.

Mr. H. G. Homme, Jr.  
Acting Secretary  
Interstate Commerce Commission  
Washington, D. C. 20423

Dear Mr. Homme:

I enclose three original counterparts of the instrument described in paragraph (1) hereof, for recordation pursuant to Section 11303 of Title 49, U.S. Code (formerly Section 20c of the Interstate Commerce Act) and return, together with two additional counterparts thereof which are for the Commission's files.

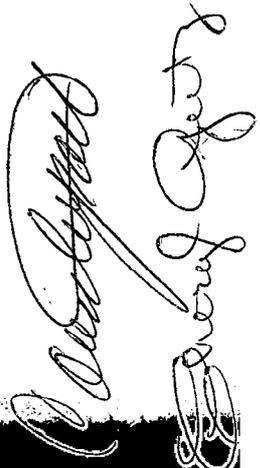
In accordance with 49 CFR Part 1116, covering the recordation of documents, I wish to advise as follows:

(1) The enclosed document is a Lease of certain railroad equipment, more fully described below, from Southern Region Industrial Realty, Inc., Lessor, P. O. Box 1808, Washington, D.C. 20013, to Southern Railway Company, Lessee, P. O. Box 1808, Washington, D.C. 20013, dated as of December 15, 1978.

(2) The equipment covered by this Agreement is described as follows:

10 B23-7 Diesel-Electric Locomotives, bearing Lessee's road numbers 3980 - 3989, inclusive, AAR designation B-B (common designations 0440).

RECEIVED  
DEC 15 9 56 AM '78  
I.C.C.  
FEE OPERATION BR.



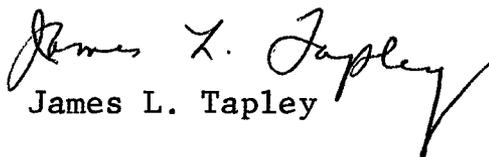
Each unit of the Equipment will be marked in letters not less than one-half inch in height as follows:

"OWNED BY A BANK OR TRUST COMPANY UNDER A FINANCING AGREEMENT RECORDED WITH THE INTER-STATE COMMERCE COMMISSION UNDER SECTION 11303 OF TITLE 49, U.S. CODE."

- (3) After recordation, the original documents should be returned to Manfred S. Block, Attorney, Law Department, Southern Railway Company, P. O. Box 1808, Washington, D.C. 20013.
- (4) The recordation fee of \$50.00 is enclosed.

Please acknowledge receipt of these documents on the enclosed copy of this letter.

Very truly yours,

  
James L. Tapley

Enclosures

**Interstate Commerce Commission**  
Washington, D.C. 20423

12/15/78

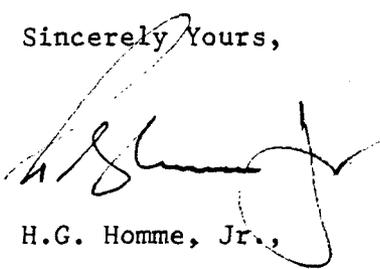
OFFICE OF THE SECRETARY

James L. Hapley  
Vice President -Law  
Southern NYW. System  
P.O.Box 1808  
Washington, D.C. 20013

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 20(c) of the Interstate Commerce Act, 49 U.S.C. 20(c), on 12/15/78 at 10:05am , and assigned recordation number(s) 9910

Sincerely Yours,



H.G. Homme, Jr.,  
Secretary

Enclosure(s)

SE-30-T  
(2/78)

Executed in five Counterparts of  
which this is Counterpart No. L.

RECORDATION NO. 2916 Filed 1425

DEC 15 1978 -10 05 AM

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT, dated as of December 15, 1978, by and between SOUTHERN REGION INDUSTRIAL REALTY, INC., a Georgia corporation (the "Vendor"), and SOUTHERN RAILWAY COMPANY, a Virginia corporation (the "Vendee")

W I T N E S S E T H: THAT

WHEREAS, Vendee desires to acquire 10 B23-7 Diesel-Electric Locomotives, to bear Vendee's road numbers 3980-3989, both inclusive, hereinafter called the "Locomotives"; and

WHEREAS, inasmuch as Vendee has not yet consummated financing arrangements for the acquisition of the Locomotives, it is not in a position to accept delivery of the Locomotives at this time; and

WHEREAS, Vendee has asked Vendor to acquire such Locomotives from the builder thereof; and

WHEREAS, Vendor, by Purchase Order No. 134667, dated as of October 27, 1978, has contracted with General Electric Company ("General Electric") to build the Locomotives; and

WHEREAS, the builder of the Locomotives, General Electric, under the terms of the Purchase Order, is to deliver the Locomotives to Vendor at Saddieville, Kentucky, freight charges prepaid; and

WHEREAS, Vendee anticipates that the above-described financing arrangements will be consummated on or before June 15, 1979, and Vendee, in order that it may take possession of and use the Locomotives pending completion of such financing arrangements, has requested Vendor to purchase the Locomotives and to give Vendee temporary custody and possession of the Locomotives, solely as a lessee of the Locomotives; and

WHEREAS, Vendor is willing to purchase the Locomotives and to lease them to Vendee upon the terms and conditions hereinafter stated;

NOW, THEREFORE, in consideration of the premises and of the promises of the parties herein contained, the parties agree as follows:

(1) Vendor hereby designates Vendee as its agent to accept delivery of the Locomotives.

(2) Vendor agrees to lease the Locomotives to Vendee and Vendee agrees to hire the Locomotives from Vendor at the delivery point above referred to. The rights of Vendee hereunder in respect of each Locomotive shall commence on the date of acceptance of such Locomotive as agent for the Vendor and end on the earlier of June 15, 1979 or the date of payment of the purchase price of such Locomotive under the above financing arrangements. Vendee shall purchase the Locomotives from Vendor or provide a purchaser therefore on or before June 15, 1979, and Vendor shall sell the Locomotives to Vendee, or such purchaser as Vendee may provide, at the total purchase prices as set in the Purchase Order, and its obligation so to do shall be absolute, regardless of the condition of the Locomotives at such time. When the purchase price of any Locomotive has been paid to Vendor, this

Agreement shall automatically be terminated with respect to such Locomotive without further action by or notice to any party concerned. On delivery of each Locomotive to Vendee, Vendee will assume the responsibility and risk of loss with respect to such Locomotive.

(3) Title to the Locomotives shall remain in Vendor and Vendee'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. Vendee shall do such acts as may be required by law, or reasonably requested by Vendor, for the protection of Vendor's title to and interest in the Locomotives.

(4) As rental for the Locomotives, Vendee agrees to pay in cash to Vendor upon the termination of this Agreement the sum of \$1.00.

(5) Vendee agrees that it will permit no liens of any kind to attach to the Locomotives, and that it will (a) indemnify and save harmless Vendor 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 Locomotives or the Vendor because of its ownership or because of the use, marking, operation, management or handling of the Locomotives by Vendee during the term of this Agreement.

(6) Vendee will, at its own expense, keep and maintain the Locomotives in good order and running condition and will, at its option, repair or replace or promptly pay to Vendor the purchase price in cash of those Locomotives which may be damaged or destroyed by any cause during the term that this Agreement applies to such Locomotives.

(7) Prior to the delivery of the Locomotives to Vendee there shall be plainly, distinctly, permanently, and conspicuously marked and maintained by the Vendee upon each side of each Locomotive in letters not less than one-half inch in height the following words:

"OWNED BY A BANK OR TRUST COMPANY UNDER A FINANCING AGREEMENT RECORDED WITH THE INTERSTATE COMMERCE COMMISSION UNDER SECTION 11303 OF TITLE 49, U.S. CODE."

(8) Vendor shall have the right to assign its rights under this Agreement or under the Purchase Order pursuant to the financing arrangements referred to above.

(9) Vendor shall have no obligation to warrant the condition of the Locomotives but agrees to pass to Vendee or Vendee's nominee the builder's warranties on the Locomotives.

(10) Vendee shall have the right to assign or transfer its rights hereunder, or transfer or sublet the Locomotives (subject to this Agreement and the rights of Vendor hereunder, and without releasing Vendee from any of its obligations hereunder) to any affiliate of Vendee.

SOUTHERN REGION INDUSTRIAL REALTY, INC., and SOUTHERN RAILWAY COMPANY, By

ATTEST:

*Pat Allen*  
Assistant Secretary

*Donald R. McCardle*  
Vice President of each of the above Companies



DISTRICT OF COLUMBIA.

On this 15th day of December, 1978, before me personally appeared Donald R. McArdle, to me personally known, who, being by me duly sworn, says that he is a Vice President of SOUTHERN RAILWAY COMPANY and of SOUTHERN REGION INDUSTRIAL REALTY, INC., that the corporate seal of each of said corporations is affixed to the foregoing instrument, that said instrument was signed and sealed on behalf of each of said corporations by authority of its respective Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of each of said corporations.

*C. Thayer*  
.....

Notary Public  
in and for the  
District of Columbia

My Commission Expires May 31, 1982