

# Southern Railway System

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

8750

RECORDATION NO. .... Filed & Recorded

MAR 18 1977-9 45 AM

920 15TH STREET, N.W.  
INTERSTATE COMMERCE COMMISSION

March 18, 1977  
58104

Mr. Robert L. Oswald  
Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

Dear Mr. Oswald:

I enclose three original counterparts of the instrument described in paragraph (1) hereof, for recordation pursuant to 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 March 1, 1977.

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

201 89'4" Enclosed Tri-Level Automobile Rack Cars with Tri-Fold End Doors bearing Lessee's road numbers 159000 - 159200, inclusive, AAR designation FA.

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 INTERSTATE COMMERCE COMMISSION UNDER SECTION 20c OF THE INTERSTATE COMMERCE ACT"

RECEIVED  
MAR 18 9 42 AM '77  
I.C.C.  
FEE OPERATION BR.

JAMES L. TAPLEY  
VICE PRESIDENT - LAW

*Copy to J. Pope*  
*C. C. [unclear]*

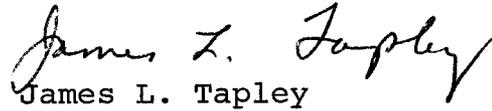
4-077A022  
MAR 18 1977  
Date  
Esc  
ICC Washington, D.C.

Mr. Robert L. Oswald  
March 18, 1977  
Page 2

(3) After recordation, the original documents should be returned to David R. Willson, General Attorney, Law Department, Southern Railway Company, P. O. Box 1808, Washington, D.C. 20013.

(4) The recordation fee of \$50 is enclosed.

Very truly yours,

  
James L. Tapley

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

OFFICE OF THE SECRETARY

March 18, 1977

James Tapley  
Southern Railway System  
P. O. Box 4804  
Washington, DC 20043

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 3-18-77 at 9:45 , AM and assigned recordation number(s) 8750.

Sincerely yours,

  
Robert L. Oswald  
Secretary

Enclosure(s)

SE-30  
(5/76)

8750

RECORDATION NO. .... Filed & Recorded

Executed in 5 Counterparts of  
which this is Counterpart No. 1

MAR 18 1977-9 45 AM

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT, dated as of March 1, 1977, 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 201 89'4" Enclosed Tri-Level Automobile Rack Cars with Tri-Fold End Doors, hereafter called the "Cars"; and

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

WHEREAS, Vendee has asked Vendor acquire such Cars from the builders thereof; and

WHEREAS, Vendor, by Purchase Order No. 129418 dated as of March 16, 1977, has contracted with Pullman Incorporated (Pullman Standard Division) ("Pullman") to build 201 70-ton 89'4" Flat Cars ("Flat Cars"), to bear Vendee's road numbers 159000 - 159200, both inclusive, and by Purchase Order No. 129344 dated as of March 16, 1977, has contracted with Portec Inc., Paragon Division ("Portec") to build 201 89'4" Enclosed Tri-Level Automobile Racks with Tri-Fold End Doors ("Racks") and to install the same on the aforesaid Flat Cars, thereby completing the construction of the Cars; and

WHEREAS, Pullman is to deliver the Flat Cars to Vendor at Bessemer, Alabama, and Portec is to fabricate and attach the Racks to the Flat Cars (such Racks and Flat Cars being hereinafter described as "Component Parts") and deliver the completed Cars to Vendor at Novi, Michigan, or such other place as may be agreed between Portec and Vendor; and

WHEREAS, Vendee anticipates that the above described financing arrangements will be consummated on or before September 1, 1977, and Vendee, in order that it may take possession of and use the Cars pending completion of such financing arrangements, has requested Vendor to purchase the Component Parts and the Cars on delivery and to give Vendee temporary custody and possession of the Cars, solely as a lessee of the Cars; and

WHEREAS, Vendor is willing to purchase the Cars and their Component Parts and to lease them to Vendee upon the terms and conditions hereinafter stated;

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

(1) Vendor hereby designates Vendee as its agent to transport the Flat Cars from their place of delivery to the place of assembly of the Cars and to accept delivery of the Component Parts and Cars.

(2) Vendor agrees to lease the Cars to Vendee and Vendee agrees to hire the Cars from Vendor at the delivery point above referred to. The rights of Vendee hereunder in respect of each Car shall commence on the date of acceptance of such Car as agent for the Vendor and end on the earlier of September 1, 1977, or the date of payment of the purchase price of such Car under the above financing arrangements. Vendee shall purchase the Cars from Vendor or provide a purchaser therefor on or before September 1, 1977, and Vendor shall sell the Cars to Vendee, or such purchaser as Vendee may provide, at the total purchase prices as set in the two Purchase Orders, and its obligation so to do shall be absolute, regardless of the condition of the Cars at such time. When the purchase price of any Car has been paid to Vendor, this Agreement shall automatically be terminated with respect to such Car without further action by or notice to any party concerned. On delivery of each Car or the Component Parts thereof to Vendee, Vendee will assume the responsibility and risk of loss with respect to such Car or Component Part.

(3) Title to the Cars or any Component Parts thereof 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 Cars or their Component Parts.

(4) As rental for the Cars, 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 Cars or their Component Parts, 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 Cars or their Component Parts or the Vendor because of its ownership or because of the use, marking, operation, management or handling of the Cars or their Component Parts, by Vendee during the term of this Agreement.

(6) Vendee 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 Vendor the purchase price in cash of those Cars which may be damaged or destroyed by any cause during the term that this Agreement applies to such Cars.

(7) Prior to the delivery of the Cars to Vendee there shall be plainly, distinctly, permanently, and conspicuously marked and maintained by the Vendee upon each side of each Car 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 20c OF THE INTERSTATE COMMERCE ACT."

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

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

(10) Vendee shall have the right to assign or transfer its rights hereunder, or transfer or sublet the Cars (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.

By

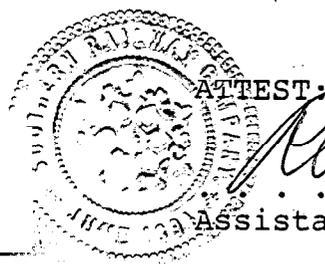
*J. J. Brudley*  
.....  
Vice President



*R. W. Allen*  
.....  
Assistant Secretary

SOUTHERN RAILWAY COMPANY,  
By

*J. J. Brudley*  
.....  
Vice President



*R. W. Allen*  
.....  
Assistant Secretary

DISTRICT OF COLUMBIA.

On this 18<sup>th</sup> day of March, 1977, before me personally appeared H. H. Bradley, to me personally known, who, being by me duly sworn, says that he is a Vice President of SOUTHERN REGION INDUSTRIAL REALTY, INC., 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.

... *[Handwritten Signature]*

NOTARY PUBLIC  
DISTRICT OF COLUMBIA

DISTRICT OF COLUMBIA.

On this 18<sup>th</sup> day of March, 1977, before me personally appeared H. H. Bradley to me personally known, who, being by me duly sworn, says that he is a Vice President of SOUTHERN RAILWAY 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.

... *[Handwritten Signature]* ...

NOTARY PUBLIC  
DISTRICT OF COLUMBIA