

LAW OFFICES OF  
BANKS, NASON & HICKSON RECORDATION NO. .... Filed 1425

13805

PROFESSIONAL ASSOCIATION  
216 EAST MAIN STREET  
P. O. BOX 44  
SALISBURY, MARYLAND 21801

SEP 30 1982-10 15 AM

INTERSTATE COMMERCE COMMISSION

TELEPHONE  
(301) 546-4644

EDWARD G. BANKS, JR.  
JOHN C. NASON  
H. MICHAEL HICKSON  
JOHN R. SULLIVAN

September 28, 1982

2-273A028

No. ....  
SEP 30 1982  
Date.....  
Fee \$ 50.00  
ICC Washington, D. C.

Interstate Commerce Commission  
12th & Constitution Avenue, N.W.  
Room 2303  
Washington, D. C. 20423

Attention: Ms. Mildred Lee

Re: Installment Sale and Security Agreement

RECEIVED  
SEP 30 10 11 AM '82  
FEDERAL  
OPERATION RR.  
I.C.C.

Dear Ms. Lee:

Please consider this a letter of transmittal so as to have a security lien filed with the ICC.

Enclosed please find two (2) original copies of an Installment Sale And Security Agreement for the sale of a locomotive and other equipment from The Delaware-Maryland-Virginia Company to H D Equipment and a check for \$50.00. Below is the necessary filing information.

Secured Party: The Delaware-Maryland-Virginia Company  
106 Plaza West  
Salisbury, Maryland 21801

Debtor: H D Equipment, a general partnership  
P. O. Box 176  
Lincoln, Delaware 19960

Secured Property: 1 Locomotive, Serial Number 80854, #23  
4 Replacement Wheel Sets  
2 Locomotive Snowplows

SEP 30 10 10 AM '82  
RECEIVED

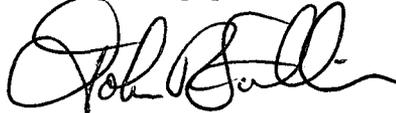
Ms. Mildred Lee  
Interstate Commerce Commission

September 28, 1982  
Page 2

Please file the subject lien and return one (1) copy of the Agreement to me at your earliest convenience.

If you have any questions, please feel free to call.

Very truly yours,

A handwritten signature in black ink, appearing to read "John R. Sullivan". The signature is fluid and cursive, with a large initial "J" and "S".

JOHN R. SULLIVAN

JRS/aaf  
Enclosures

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

9/30/82

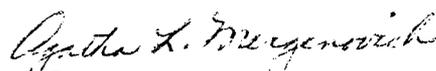
OFFICE OF THE SECRETARY

**John R. Sullivan**  
**Banks, Nason & Hickson**  
**216 East Main Street**  
**P.O.Box 44**  
**Salisbury, Maryland 21801**

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 9/30/82 at 10:15am , and assigned re-  
recording number (s). 13805

Sincerely yours,

  
Agatha L. Mergenovich  
Secretary

Enclosure (s)

13805

REGISTRATION NO. .... Filed 1425

SEP 30 1982 10 15 AM

INSTALLMENT SALE AND SECURITY AGREEMENT STATE COMMERCE COMMISSION

THIS AGREEMENT, made this 27<sup>th</sup> day of September, 1982, by and between H D EQUIPMENT, a general partnership formed under the laws of the State of Delaware, hereinafter referred to as H D Equipment, and THE DELAWARE-MARYLAND-VIRGINIA COMPANY, WITNESSETH:

WHEREAS, The Delaware-Maryland-Virginia Company owns Locomotive No. 23, serial number 80854, and four (4) Replacement Wheel Sets, which it is willing to sell to H D Equipment on an installment sale agreement; and

WHEREAS, H D Equipment desires to purchase Locomotive No. 23 and four (4) Replacement Wheel Sets from The Delaware-Maryland-Virginia Company on an installment sale basis over three (3) years and three hundred twenty-two (322) days.

NOW, THEREFORE, for and in consideration of good and valuable consideration each to the other paid, the parties hereto hereby agree as follows:

1. The Delaware-Maryland-Virginia Company hereby agrees to sell to H D Equipment a certain locomotive and other equipment as set forth in the attached Exhibit A for the sum total of \$60,545.00, to be paid on a monthly basis with installments beginning on September 28, 1982, 1982, which sum total represents \$42,510.00 in principal and \$18,045.00 in interest.

2. That said sum total of \$60,545.00 will be paid on a consecutive monthly basis for three (3) years (365 days/year) and three hundred twenty-two (322) days based on a daily rate of \$50.00 per day for the first year, which year begins on September 28, 1982, \$30.00 of each payment representing principal and \$20.00 of each payment representing interest; a payment of \$45.00 per day for the second year, which year begins on September 28, 1983, \$30.00 of which represents principal and \$15.00 of which represents interest; \$40.00 per day for the third year, which year begins on September 28, 1984, \$30.00 of which represents principal and \$10.00 of which represents interest; and \$35.00 per day for 322 days of the fourth year, which year begins on

September 28, 1985, \$30.00 of which represents principal and \$5.00 of which represents interest, for a sum total due and owing over the course of 3 years and 322 days of \$60,545.00.

3. H D Equipment hereby grants to The Delaware-Maryland-Virginia Company a security interest in Locomotive #23, Serial No. 80854 and the four (4) Replacement Wheel Sets, which are more particularly described in Exhibit "A", to secure the payment and performance of the indebtedness and obligations as set forth in this Installment Sale Agreement. Default in the payment or performance of any of the obligations or default under this Installment Sale Agreement is a default of this Security Agreement. Upon any such default, The Delaware-Maryland-Virginia Company shall be entitled to exercise all of the rights and remedies of a secured party under the Uniform Commercial Code. Reasonable attorneys fees of The Delaware-Maryland-Virginia Company in enforcing any right or exercising any remedy hereunder upon default of the debtor shall be deemed a part of the obligations secured hereby.

4. The Delaware-Maryland-Virginia Company hereby agrees to execute such documents of title as may be required to vest good title to such equipment in H D Equipment immediately, provided, however, H D Equipment shall execute a financing statement and grant a security interest to The Delaware-Maryland-Virginia Company which shall be in recordable form permitting The Delaware-Maryland-Virginia Company to record same in the appropriate counties of Maryland and Delaware. H D Equipment also covenants to execute such documents as are necessary to gain notice of a prior security interest according to the lien records at the Interstate Commerce Commission.

5. The Delaware-Maryland-Virginia Company hereby agrees to promptly transfer possession of Locomotive #23 to H D Equipment upon return of all copies of this Installment Sale And Security Agreement, fully executed, together with a check for \$1,500.00 (the first month's payment), made payable to The Delaware-Maryland-Virginia Company. It is further agreed that all shipping costs for the transfer of Locomotive #23 to H D Equipment will be paid by H D Equipment.

6. The Delaware-Maryland-Virginia Company hereby agrees to transfer possession of the four (4) Replacement Wheel Sets to H D Equipment within three (3) years from the date of this agreement or, in the event that the existing wheel sets should fail to comply with FRA standards prior to the expiration of the three (3) years, then The Delaware-Maryland-Virginia Company agrees to transfer possession of the four (4) Replacement Wheel Sets promptly upon notification of the existing wheel sets' non-compliance with FRA standards. It is further agreed that all shipping costs for the transfer of the four (4) Replacement Wheel Sets will be paid by H D Equipment.

7. In the event that the operating lease with the State of Delaware, held by Delaware Coast Line Railroad Co., H D Equipment's lessee, is terminated prior to the expiration of this agreement, H D Equipment has the right to return Locomotive #23 and the four (4) Replacement Wheel Sets (should they be in possession of said Replacement Wheel Sets) to The Delaware-Maryland-Virginia Company in complete satisfaction of all future payments owed under this agreement from the date said equipment is in the possession of The Delaware-Maryland-Virginia Company. All payments owed under this agreement prior to The Delaware-Maryland-Virginia Company gaining possession pursuant to the provisions of this paragraph will not be considered satisfied and will remain due and owing to The Delaware-Maryland-Virginia Company.

8. Should H D Equipment exercise its right pursuant to paragraph 7 of this agreement to return the equipment to The Delaware-Maryland-Virginia Company, H D Equipment will pay all shipping charges and said equipment shall be returned to The Delaware-Maryland-Virginia Company in at least as good condition as it was at the date of this agreement. Should H D Equipment fail to comply with this paragraph, the full sum due and owing hereunder may be declared due and payable forthwith as provided in Paragraph 9 hereof.

9. In the event of default in payment as aforesaid, and upon written notice to H D Equipment by The Delaware-Maryland-Virginia Company thereof, which default thereafter continues for a period of thirty (30) days, The Delaware-Maryland-Virginia Company may declare this agreement in default, whereupon the full principal sum due and

owing will become immediately due and payable together with interest at the annual rate of eighteen percent (18%) until such payment is made.

10. A late payment charge of five percent (5%) of the amount due shall be paid on all payments more than thirty (30) days late.

11. H D Equipment shall have the right to purchase Locomotive #23 and the four (4) Replacement Wheel Sets with a lump sum payment at any time by notifying The Delaware-Maryland-Virginia Company of its intentions and tendering to The Delaware-Maryland-Virginia Company a sum to equal the outstanding principal then currently due together with interest as provided in paragraph 9 hereinabove. In the event H D Equipment exercises its rights under this paragraph, The Delaware-Maryland-Virginia Company agrees to promptly transfer possession of the four (4) Replacement Wheel Sets to H D Equipment if it has not already done so. Shipping charges will be paid pursuant to paragraph 6 hereinabove.

12. It is hereby specifically agreed that The Delaware-Maryland-Virginia Company shall have no responsibility whatsoever for maintenance or repair of the equipment and it is further agreed that the same is being accepted on an "as is" basis by H D Equipment and no warranty of merchantability is either expressed or implied.

13. During the period of this installment sale H D Equipment shall maintain the equipment in good and proper repair, permitting no waste, and The Delaware-Maryland-Virginia Company has the right to inspect the equipment at any time upon reasonable notification to H D Equipment. Should H D Equipment fail to comply with this paragraph, the full sum due and owing hereunder may be declared due and payable forthwith as provided in Paragraph 9 hereinabove.

14. H D Equipment shall forthwith include The Delaware-Maryland-Virginia Company as a named insured on all policies of insurance insuring against liability for the operation, control, or ownership of the equipment and on all insurance policies insuring H D Equipment from loss of or damage to the equipment in a sum satisfactory to The Delaware-Maryland-Virginia Company. Evidence of such insurance as aforesaid shall be provided forthwith.

15. This Agreement shall inure to the benefit of the successors and assigns of the parties hereto.

16. Performance under this agreement is personally guaranteed by the principals of H D Equipment together with their respective spouses.

AS WITNESS the hands and seals of the parties hereto the day and year first above written.

ATTEST:

H D EQUIPMENT, a general partnership formed under the laws of the State of Delaware

J. R. Simmons

By: Douglas E. Dibble (SEAL)  
Partner

ATTEST:

H D EQUIPMENT, a general partnership formed under the laws of the State of Delaware

J. R. Simmons

By: Michael P. Hubert (SEAL)  
Partner

The undersigned hereby jointly and severally unconditionally guarantee payment by H D Equipment.

WITNESS:

J. R. Simmons

Linda J. Dibble (SEAL)

J. R. Simmons

Clair Hubert (SEAL)

ATTEST:

THE DELAWARE-MARYLAND-VIRGINIA COMPANY

John A. Hahnold

By: J. A. Hahnold (SEAL)  
J. A. Hahnold, President