

LAW OFFICES OF  
**BANKS & NASON**  
PROFESSIONAL ASSOCIATION  
216 EAST MAIN STREET  
SALISBURY, MARYLAND 21801

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

March 17, 1980

TELEPHONE  
(301) 546-4644

RECORDATION NO. **11601** Filed 1425

MAR 24 1980 - 10 42 AM

INTERSTATE COMMERCE COMMISSION

No. **0-084A026**

Date **MAR 24 1980**

Fee \$ **50.00**

IOC Washington, D. C.

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

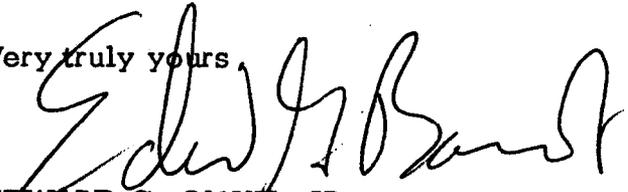
Attention: Ms. Mildred Lee

Re: The Delaware-Maryland-Virginia Co.

Dear Ms. Lee:

Please find enclosed herewith two (2) copies of a Lease-Purchase Agreement, a copy of the Bill of Sale and our check in the amount of \$50.00, allowing you to record the subject lien.

Very truly yours,

  
EDWARD G. BANKS, JR.

EGB/aaf  
Enclosures

RECEIVED  
MAR 24 10 29 AM '80  
I.C.C.  
FEE OPERATION BR.

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

4/3/80

OFFICE OF THE SECRETARY

**Edward G. Banks, Jr.**  
**Banks & Nason**  
**216 East Main Street**  
**Salisbury, Maryland**

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 **3/24/80** at **10:30am**, and assigned re-  
recording number(s). **11601**

Sincerely yours,

*Agatha L. Mergenovich*  
Agatha L. Mergenovich  
Secretary

Enclosure(s)

LEASE-PURCHASE AGREEMENT

RECORDATION NO. **11601** Filed 1425

MAR 24 1980 - 10 11 AM

INTERSTATE COMMERCE COMMISSION

This Agreement made this 10<sup>th</sup> day of October, 1979 by and between The Virginia and Maryland Railroad and Accomack-Northampton Transportation District Commission and The Delaware-Maryland-Virginia Corporation,

WITNESSETH THAT:

WHEREAS, The Delaware-Maryland-Virginia Corporation owns certain railroad equipment which it is presently leasing to The Virginia and Maryland Railroad and which it is willing to sell to the Accomack-Northampton Transportation District Commission on a lease-purchase basis over two years; and

WHEREAS, The Virginia and Maryland Railroad is presently operating said equipment under a certain Operating Agreement now in existence between the Accomack-Northampton Transportation District Commission and The Virginia and Maryland Railroad; and

WHEREAS, the Accomack-Northampton Transportation District Commission, through its operating agreement with The Virginia and Maryland Railroad, is paying for the lease of said equipment to The Virginia and Maryland Railroad from The Delaware-Maryland-Virginia Corporation and desires to purchase it on a lease-purchase basis over two years;

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 Corporation hereby agrees to sell to the Accomack-Northampton Transportation District Commission certain equipment as set forth in the attached Exhibit 'A' for the sum total of \$150,000 to be paid in 24 consecutive monthly installments beginning October 1, 1979 of \$6250.00 in principal and \$937.50 in interest, said monthly payment totalling \$7187.50.

2. As additional consideration for agreeing to such sale without down payment and for providing financing as well as certain other incentives offered by The Delaware-Maryland-Virginia Corporation to the Accomack-Northampton Transportation District Commission as to contingencies and provisions in the event of Accomack-Northampton Transportation District Commission failure of funds, Accomack-Northampton Transportation District Commission hereby agrees to pay a monthly lease fee to The Delaware-Maryland-Virginia Corporation over and above the total monthly payment (as provided in paragraph #1) of \$2395.83. Said lease fee shall be paid over the same period as set forth for payment in paragraph #1.

3. The total sum to be paid as aforesaid by Accomack-Northampton Transportation District Commission to The Delaware-Maryland-Virginia Corporation shall be \$9583.33 per month.

4. The Delaware-Maryland-Virginia Corporation hereby agrees to execute such documents of title as may be required to vest good title to such equipment in Accomack-Northampton Transportation District Commission immediately, provided however, Accomack-Northampton Transportation District Commission shall execute a financing statement and grant a security interest to The Delaware-Maryland-Virginia Corporation which shall be in recordable form permitting The Delaware-Maryland-Virginia Corporation to record the same in the appropriate counties of Maryland and Virginia. Accomack-Northampton Transportation District Commission 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. In the event of default in payment as aforesaid, and upon written notice to Accomack-Northampton Transportation District Commission by The Delaware-Maryland-Virginia Corporation thereof, which default thereafter

continues for a period of 60 days, The Delaware-Maryland-Virginia Corporation may terminate the lease, whereupon the Accomack-Northampton Transportation District Commission has the option to purchase the equipment with a lump sum payment in accordance with the provisions of paragraph #7 or to return the equipment to The Delaware-Maryland-Virginia Corporation in exchange for the total amount of principal payments made at that time, but it must notify The Delaware-Maryland-Virginia Corporation of which option it elects to exercise within ten days.

6. A late payment charge of five (5) percent shall be paid on all payments more than 30 days late.

7. In the event that the Accomack-Northampton Transportation District Commission desires to purchase the equipment with a lump sum payment, it may do so by notifying The Virginia and Maryland Railroad and The Delaware-Maryland-Virginia Corporation of its intentions and tendering to The Delaware-Maryland-Virginia Corporation a sum to equal the outstanding principal due plus a penalty to equal eighty-five (85) percent of the outstanding balance of lease payments due.

8. In the event that the certain Operating Agreement presently in existence between the Accomack-Northampton Transportation District Commission and The Virginia and Maryland Railroad is terminated for any reasons whatsoever, the Accomack-Northampton Transportation District Commission shall have the option to: (1) continue the lease-purchase payments on the schedule set forth in this Agreement; (2) purchase the equipment with a lump sum payment in accordance with the provisions of paragraph #7; or (3) terminate this Agreement, relinquishing any rights it has obtained in the equipment and receiving from The Delaware-Maryland-Virginia Corporation the total amount of principal payments it has paid to The Delaware-Maryland-Virginia Corporation at the time of termination.

Should the Accomack-Northampton Transportation District Commission exercise the first option to continue the lease-purchase payments on the schedule set forth in this Agreement, it may, with thirty (30) days written notice to The Delaware-Maryland-Virginia Corporation, terminate this Agreement either by making a lump sum payment as set forth in paragraph #7 above or by relinquishing its rights in the equipment and receiving the total amount of principal payments made to The Delaware-Maryland-Virginia Corporation at the time of the termination of this Agreement.

9. It is hereby specifically agreed that The Delaware-Maryland-Virginia Corporation 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 Accomack-Northampton Transportation District Commission and no warranty of merchantability is either expressed or implied. The Virginia and Maryland Railroad shall continue to maintain the equipment in accordance with the provisions of that certain Operating Agreement presently in existence between The Virginia and Maryland Railroad and Accomack-Northampton Transportation District Commission.

10. Should the Accomack-Northampton Transportation District Commission exercise any right granted to it hereunder to return the equipment to The Delaware-Maryland-Virginia Corporation, said equipment shall be returned to The Delaware-Maryland-Virginia Corporation in at least as good condition as it was at the date of this agreement.

11. The Virginia and Maryland Railroad shall forthwith include the Accomack-Northampton Transportation District Commission 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 The Virginia and Maryland Railroad and The Delaware-Maryland-Virginia Corporation from loss of the equipment.

12. The execution of this Agreement hereby removes the equipment listed in Exhibit "A" from the existing lease agreement between The Virginia and Maryland Railroad and The Delaware-Maryland-Virginia Corporation.

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

As written in the hand and seals of the parties hereto the day and year first above written.

[Handwritten Signature]  
Witness

Paul B. Merritt  
Accomack-Northampton Transportation  
District Commission

[Handwritten Signature]  
Witness

[Handwritten Signature]  
The Virginia and Maryland Railroad

[Handwritten Signature]  
Witness

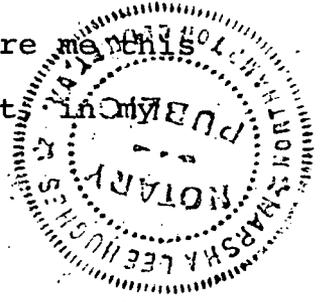
[Handwritten Signature]  
The Delaware-Maryland-Virginia Corporation

STATE OF VIRGINIA

County of Northampton, to-wit:

The foregoing instrument was acknowledged before me on this 1st day of NOVEMBER, 1979, by Paul B. Merritt, in and County and State aforesaid.

My Commission expires: 08 July 1983.

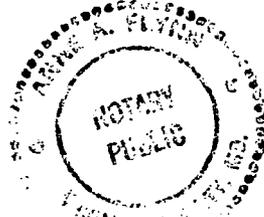


Marsha L. Hughes  
Notary Public

STATE OF MARYLAND, WICOMICO COUNTY, TO WIT:

I HEREBY CERTIFY, that on this 1<sup>st</sup> day of October, 1979, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared J. A. Hannold, President of The Virginia and Maryland Railroad Company, and acknowledged the execution of the foregoing instrument to be the act and deed of said corporation, and further acknowledged that he is the President of said corporation, duly authorized to make this affidavit.

AS WITNESS, my hand and Notarial Seal.



Anne A. Flynn  
Notary Public

STATE OF MARYLAND, WICOMICO COUNTY, TO WIT:

I HEREBY CERTIFY, that on this 1<sup>st</sup> day of October, 1979, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared J. A. Hannold, President of The Delaware-Maryland-Virginia Company, and acknowledged the execution of the foregoing instrument to be the act and deed of said corporation, and further acknowledged that he is the President of said corporation, duly authorized to make this affidavit.

AS WITNESS, my hand and Notarial Seal.



Anne A. Flynn  
Notary Public

My Commission expires 7/1/82.

EXHIBIT "A"

1 Locomotive, No. 200, C-420, 2000 HP, S-84722

1 Locomotive, No. 203, C-420, 2000 HP, S-84781

1 Locomotive, No. 10, S-4, 1000 HP, S-80970

Jackson Tamper with jacking beam added, Model 900