75.00

GE Transportation Systems

General Electric Company
2901 East Lake Road, Erie, PA 16531

RECORDATION NO 16906 FILED 1425

JUN 27 1990 -11 05 AM

INTERSTATE COMMERCE COMMISSION

June 26, 1990
VIA FEDERAL EXPRESS

Ms. Mildred Lee
Interstate Commerce Commission
12th and Constitution Avenue, N.W.
Room 2302
Washington, D.C. 20423

0-178A005

Subject: Recordation of Locomotive Lease

Dear Ms. Lee:

Enclosed for recordation, under the provisions of 49 U.S.C. §11303(a) and the regulations thereunder, are an original and one notarized counterpart of a Demonstration Lease Agreement, dated as of July 1, 1989 between General Electric Company ("Lessor") and CSX Transportation ("Lessee"), a primary document.

The names and addresses of the parties to the enclosed Demonstration Lease Agreement are as follows:

LESSOR: General Electric Company
2901 East Lake Road
Erie, Pennsylvania 16531

LESSEE: CSX Transportation
500 Water STreet
Jacksonville, Florida 32202

JUN 27 10 58 AM '90
RECORDATION UNIT

A general description of the locomotives covered by the enclosed documents is attached hereto as Schedule I. Also enclosed is a remittance in the amount of $15.00 for the required recording fee.

The undersigned, Michael J. Baughman, is Counsel and Attesting Secretary of General Electric Company. Please return the original of

ICC/mjb

the enclosed document to me, in care of General Electric Company, 2901 East Lake Road, Building 14-5, Erie, Pennsylvania 16531.

A short summary of the document to appear in the index follows:

PRIMARY DOCUMENT

Demonstration Lease Agreement, dated as of June 1, 1989 between General Electric Company ("Lessor") and CSX Transportation ("Lessee"), relating to three General Electric Diesel Electric Locomotives, bearing identification marks "GECX" and Road Nos. 3001, 3002 and 3003.

Respectfully submitted,

Michael J. Baughman
Counsel, Assigned Components

sln
Enclosures

ICC/mjb

SCHEDULE I

Description of Locomotives

Type of Equipment	Number	Identifying Marks	Road Numbers
General Electric Diesel Electric Locomotives	Three Locomotives	Marked "GECX" on both sides	3001 3002 3003

ICC/mjb

Interstate Commerce Commission

Washington, D.C. 20423

6/29/90

OFFICE OF THE SECRETARY

Michael J. Baughman
Counsel
GE Transportation System
2901 East Lake Rd.
Erie,PA. 16531

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 6/27/90 at 11:05am and assigned recordation number(s). 16906, 16907,16908,16909 & 16910

Sincerely yours,

Noreta R. McGee

Noreta R. McGee
Secretary

Enclosure(s)

CERTIFICATION

RECORDATION NO 16906 FILED 1425

JUN 27 1990 -11 05 AM

INTERSTATE COMMERCE COMMISSION

I, Michael J. Baughman, Attesting Secretary and Counsel of General Electric Company, a New York corporation, do hereby certify that the Demonstration Lease Agreement to which this Certification is attached is a true and correct copy of the original Demonstration Lease Agreement dated as of July 1, 1989 between General Electric Company and CSX Transportation.

Commonwealth of Pennsylvania }
}
County of Erie }

On this 22nd day of June, 1990, before me personally appeared Michael J. Baughman, to me personally known, who, being duly sworn, did say that he is Attesting Secretary and Counsel of General Electric Company, that the Certification which appears above was signed on behalf of such 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 such corporation.

Notary Public

My commission expires:

NOTARIAL SEAL
BETTY A. MANUCCI, NOTARY PUBLIC
LAWRENCE PARK TWP., ERIE COUNTY
MY COMMISSION EXPIRES JAN 14, 1991
Member Pennsylvania Association

RECORDATION NO. 16906 FILED 1425
JUN 27 1990 -11 05 AM
INTERSTATE COMMERCE COMMISSION

Demonstration Lease Agreement

This Agreement, made and entered into as of the 1st day of July, 1989, by and between General Electric Company (hereinafter called "GE") and CSX Transportation (hereinafter called "Lessee").

Intending to be legally bound, GE and Lessee agree to the following:

1. Locomotives to be Leased and Period of Lease. GE will furnish and Lessee will use the following locomotives (hereinafter called the "Locomotives"):

Model	Road No.	Casualty Value
C30 Super 7	3000	Fair Market Value
C30 Super 7	3001	Fair Market Value
C30 Super 7	3002	Fair Market Value

The Locomotives are anticipated to be delivered to Lessee on or about July1, 1990. Lessee shall have use of said Locomotives through July 31, 1990.

2. Rental Payments. Lessee will pay to GE, as rent for each of the Locomotives, the sum of $1.00, during the term of this Lease.

3. Delivery and Return Points. Lessee will accept delivery of the Locomotives at any interchange point on Lessee's railroad system. At the end of the term of this Lease, Lessee will deliver the Locomotives to an interchange on Lessee's railroad system specified by GE, at no charge to GE.

4. Registration of Lease. Lessee will assist General Electric in duly filing, registering or recording this Lease in conformity with Section 11303 of the Interstate Commerce Act for the protection of GE's title to the Locomotives.

5. Other Terms and Conditions. This agreement is governed by each of terms and conditions set forth in Appendix 1, attached hereto and incorporated herein by reference. This Lease contains the entire and only agreement between the parties concerning the subject matter hereof, and any representation, promise or condition not incorporated herein shall not be binding on either party. No modification, renewal, extension, termination or waiver of this Lease or any of the provisions herein contained shall be binding upon either party unless made in writing by a duly authorized representative of each party hereto.

Lessee

By: John W. Barnes

Title: Vice President-Purchases and Materials

Date: June 13, 1990

GE

By: Robert D. Krusi

Title: Mgr. Locomotive Leasing

Date: 6/4/90

Appendix 1. DEMONSTRATION LEASE TERMS AND CONDITIONS

1. **Warranties and Liabilities.**
   a. GE MAKES NO WARRANTIES, WHETHER EXPRESS, IMPLIED, ORAL, WRITTEN OR STATUTORY, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PURPOSE, CONCERNING THE LOCOMOTIVES. LESSEE ACCEPTS THE LOCOMOTIVES AS IS AND WITH ALL FAULTS.
   b. Whether liability is based on contract, warranty, tort (including negligence) or otherwise: (i) GE shall have no liability to Lessee arising out of its furnishing or the use of any Locomotive under this Lease; and (ii) in no case, shall GE's liability include any special, incidental, indirect or consequential damages including, but not limited to, loss of revenue or profits, damage to freight, loss of use of any equipment, cost of capital, downtime costs, or claims of Lessee's customers for such damages.
   c. Lessee shall indemnify, reimburse, and hold GE harmless from any and all losses, damages, costs, injuries, claims, demands, suits, judgements or causes of action whatsoever arising on account of, or caused in any way by the Locomotives or the use or operation thereof, except to the extent directly caused by the sole negligence of GE.

2. **Title, Assignment, Taxes and Liens.**
   a. At all times during this Lease, title to the Locomotives shall remain with GE. Delivery of the Locomotives to Lessee shall constitute a gratuitous bailment. No right, title or interest in the Locomotives will vest in Lessee by reason of this Lease or by reason of the delivery to or use by Lessee of the Locomotives, except the right to use the Locomotives in accordance with the terms of this Lease. Lessee will take all actions necessary to protect GE's rights, interest and title in the Locomotives. The Locomotives shall be marked on each side: "General Electric Company, Owner, Lessor, Lease Filed with ICC". Lessee shall maintain this marking, and immediately replace it if such marking is destroyed. Lessee shall not make any markings on the Locomotives that might be interpreted as a claim of ownership.
   b. Lessee agrees to use the Locomotives exclusively within its own service including run-through arrangements that are part of Lessee's normal business. Lessee agrees to use the Locomotives solely within the boundaries of the United States. Lessee shall not assign, transfer or encumber this Lease or any interest therein or any right granted hereunder without prior written consent of GE.
   c. Lessee shall pay and discharge any debt, tax, charge, assessment, obligation or claim against the Lessee or the Locomotives which, if unpaid, might become a lien or charge upon or against the title of GE to the Locomotives or which might have the effect of altering in any way the rights of GE in such Locomotives.
   d. Lessee shall be responsible for any taxes and fees arising from the use or operation of the Locomotives.

3. **Risk of Loss and Damage.**
   a. Lessee shall bear the risk of loss or damage to any Locomotive from the date of delivery through return of the Locomotive by Lessee to GE, regardless of the cause of such loss or damage (including any damages caused by improper use, operation or maintenance of the Locomotives), except to the extent such loss or damage is caused directly by the sole negligence of GE.
   b. In the event of any loss or damage to any Locomotive, Lessee shall immediately notify GE. In the event that any Locomotive is lost or damaged beyond repair, Lessee shall pay to GE the casualty value of such Locomotive within thirty days, and Lessee shall

responsible for the cost of such repairs, and shall reimburse GE promptly upon submission of invoices. The total of such invoices shall not exceed the casualty value of such Locomotive. In the event that damage is limited to a component of a Locomotive costing less than $500, Lessee may replace such component with a component of equivalent quality and value, without notifying GE.

c. Lessee shall, at all times, at its own expense, cause to be carried and maintained with respect to liabilities assumed by Lessee under this Lease: (i) all risk insurance on the Locomotives; and (ii) public liability insurance with respect to third party personal injury and property damage, in such amounts and against such risks and with such insurance companies as is consistent with prudent railroad industry practices; provided, however, that if Lessee customarily self-insures against such risks, Lessee may self-insure to the extent that such self-insurance is consistent with prudent railroad industry practices.

d. Lessee shall continue to be responsible for any amounts due under this section notwithstanding any termination of this lease.

4. **Use, Alterations and Maintenance.**

a. Lessee will use and operate the Locomotives in conformance with all applicable manufacturer recommendations. Lessee shall keep the Locomotives in good repair and operating condition (reasonable wear and tear excepted), applying the manufacturer's recommended maintenance standards and procedures.

b. During the term of this Lease, Lessee assumes all operating and maintenance expenses of the Locomotives including the costs of fuel, lubricating oils, greases and other supplies necessary for the proper operation of the Locomotives. These supplies must conform to GE's specifications.

c. Lessee shall not make any change in the design, construction or specifications of any aspect of the Locomotives without the prior authority and approval of GE.

d. Lessee shall allow GE to inspect and observe the operation of the Locomotives at any reasonable time and location on Lessee's property.

5. **Default and Remedies.**

a. If Lessee breaches or is in default of any provision of this Lease, GE, at its option, may, without prejudice to any other rights or remedies it may have under this Lease at law or in equity: (i) terminate this Lease and take immediate possession of the Locomotives; and (ii) proceed by appropriate court action or actions either at law or in equity, to enforce performance by Lessee of the terms and conditions of this Lease or to recover damages for breach thereof.

b. The remedies and powers in this Lease provided in favor of GE shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies and powers in its favor existing at law or in equity and each and every remedy and power may be exercised from time to time, and simultaneously, and as often and in such order as may be deemed expedient by GE.

6. **Applicable Law.**

Except insofar as Federal law may be applicable, the terms and conditions of this Lease and all rights and obligations hereunder shall be governed by the laws of the Commonwealth of Pennsylvania, but GE shall be entitled to such additional rights arising out of the filing or recording hereof, as shall be conferred by the laws of any jurisdiction in which the Lease or any such assignment shall be filed or recorded.

Commonwealth of Pennsylvania }
}
County of Erie }

On this 4th day of June, 1990, before me personally appeared R. D. Parisi, to me personally known, who, being duly sworn, did say that he is Manager, Locomotive Leasing of General Electric Company, that the instrument was signed on behalf of such 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 such corporation.

Betty A. Manucci
Notary Public

My commission expires:

NOTARIAL SEAL
BETTY A. MANUCCI, NOTARY PUBLIC
LAWRENCE PARK TWP., ERIE COUNTY
MY COMMISSION EXPIRES JAN 14, 1991
Member, Pennsylvania Asso

State of Florida }
}
County of Duval }

On this 13th day of June, 1990, before me personally appeared John W. Bosso, to me personally known, who, being duly sworn, did say that he is Vice President-Purchases & Materials of CSX Transportation, that the instrument was signed on behalf of such 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 such corporation.

_____
Notary Public

My commission expires:

_____