

THE LAW OFFICES OF

RICHARD F. LORITZ

ORLAND STATE BANK BUILDING • 9533 WEST 143rd STREET
ORLAND PARK, ILLINOIS 60462
708-403-2555

RICHARD F LORITZ

JULIE BURT

Of Counsel

David Dineff
Patrick Dwyer
Thomas E Grotta
Sheldon Lebold

Telecopier
708-349-6628

17677

JAN 21 1992 - 10 50 AM

INTERSTATE COMMERCE COMMISSION

2-021A026

January 10, 1992

Office of the Secretary
Interstate Commerce Commission
Washington, D.C. 20423

RE: Lease of Locomotive Equipment
National Railway Equipment Company, Lessor
Delta Southern Railroad Company

Dear Mr. Secretary:

I have enclosed an original and one copy of the document described below to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a lease of locomotive equipment and is a primary document dated February 1, 1991. The names and addresses of the parties to the documents are as follows:

Lessor

National Railway Equipment Company
An Illinois Corporation
14400 S. Robey Street
P.O. Box 2270
Dixmoor, IL 60426

Lessee

Delta Southern Railroad Company
P.O. Box 1709
Madison Parish Port
Tallulah, LA 71282

JAN 21 10 44 AM '92
MOTOR OPERATING UNIT

A description of the equipment covered by the document follows:

<u>Unit No.</u>	<u>Type</u>	<u>General Description</u>
100	CF7	EMD 1500 Horsepower Locomotive
101	CF7	EMD 1500 Horsepower Locomotive
102	CF7	EMD 1500 Horsepower Locomotive

Office of the Secretary
January 10, 1992
Page 2

103	CF7	EMD 1500 Horsepower Locomotive
104	CF7	EMD 1500 Horsepower Locomotive
105	CF7	EMD 1500 Horsepower Locomotive

A fee of \$16.00 is enclosed. Please return the original and any extra copies not needed by the commission for recordation to Richard F. Loritz, 9533 W. 143rd Street, Orland Park, IL 60462.

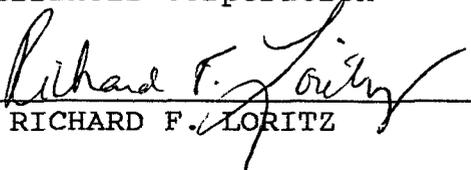
A short summary of the document to appear in the index follows:

A lease of locomotive equipment identified as six (6) locomotives, type CF7, 1500 H.P., with National Railway Equipment Co., as Lessor, and Delta Southern Railroad Company, as Lessee.

Also attached is an Affidavit executed by the attorney in fact for National Railway Equipment Co. and appropriately notarized declaring that the additional copy enclosed herewith is an exact copy of the original document.

Very truly yours,

NATIONAL RAILWAY EQUIPMENT CO.
an Illinois Corporation

BY: 

RICHARD F. LORITZ

ITS: Attorney and Agent in Fact

RFL/sjg

Enclosures

17677
FEB 1992

JAN 21 1992 - 10 50 AM

INTERSTATE COMMERCE COMMISSION

LOCOMOTIVE LEASE AGREEMENT

Lease agreement dated the 1st day of February, 1991 by and between NATIONAL RAILWAY EQUIPMENT COMPANY, hereinafter called "Lessor" and the DELTA SOUTHERN RAILROAD COMPANY, hereinafter called "Lessee".

1. EQUIPMENT: Lessor, for and in consideration of the rents and conditions hereinafter set forth, does hereby lease to Lessee Two (2) railroad locomotives as described in Exhibit "A" attached hereto.

2. TERMS: The terms of this agreement shall be for a minimum of two years commencing February 1, 1991 and ending February 1, 1993.

3. RENTAL: For said term of rental, Lessee shall pay to Lessor the sum of \$65.00 per day per locomotive. Lessor shall bill Lessee on a monthly basis in arrears, with terms of net thirty (30) days.

4. TRANSPORTATION: Lessee will arrange for transportation of equipment from Dixmoor, Illinois. At end of lease period if not on rail lines of Lessor, Lessee will arrange for transportation of equipment from location of use to Dixmoor, Illinois, and pay all freight charges therefore.

5. INSPECTION: Prior to movement of locomotive, locomotive will be jointly inspected by both parties in Dixmoor, Illinois as to condition, defects, etc., and Lessee warrants that locomotive will be returned at end of lease term in like condition with joint inspection by the parties to verify same. Lessor shall provide a 92 days FRA and maintenance inspection prior to lease. Lessee upon return of locomotive shall cause same done at its sole cost. Lessee shall be held liable for any damage to locomotive which shall occur during term of lease, whether such damage should occur during Lessee's use, or possession of locomotive, or during transportation to or from location of use. Lessee shall pay Lessor for all damages within thirty (30) days of presentation of Lessor's invoice.

6. MAINTENANCE/IMPROVEMENTS: Lessee shall be responsible for and shall provide for, at its sole cost, all regular maintenance and required inspections of the locomotive during the term of the Agreement. Lessee shall maintain the locomotive to standards as set by O.E.M. procedures and specifications. Lessee shall also provide at its sole cost all records of repairs and maintenance performed during each 92 day period while locomotive is on lease. Any and all maintenance, repairs and improvements performed shall be the sole property of Lessor.

7. INDEMNITY: In the event of damage or destruction of the locomotive, Lessee shall repair such damage if such damage is economically reasonable, replace such locomotive with a like unit, or pay to Lessor the fair market value, which herein agreed to be \$150,000.00. Lessee will protect, defend and hold harmless the Lessee from any claims which may arise from the occupancy, operation, use, or storage of said locomotive while under Lessee's possession and control.

8. TITLE/ASSIGNMENT: Title of the locomotive shall at all times remain in the name of the Lessor, and Lessee shall keep locomotives free and clear of any and all levies, attachments, liens or ther encumbrances. Lessee shall not assign or sublet its interest under this agreement. However, nothing herein will prevent use of such locomotives upon lines of railroads other than Lessee.

9. SEVERABILITY: Should any provision of this lease be in conflict with any statute of law of any state or territory wherein it may be sought to be enforced, such provision shall be null and void to the extent that it may be in conflict therewith, but without invalidating the remaining provisions.

10. NOTICES: All written notices provided herein shall be directed as follows:

If to Lessor: Lawrence J. Beal, President
National Railway Equipment Company
14400 S. Robey St. P.O. Box 2270
Dixmoor, Illinois 60426

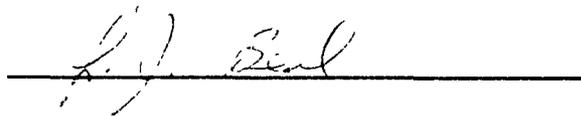
If to Lessee: William Wainwrigth, President
Delta Southern Railroad Company
P.O. Box 1709
Madison Parish Port
Tallulah, LA 71282

IN WITNESS WHEREOF, and intending to be bound hereby, Lessor and Lessee have caused this lease to be executed on the day and year first written above.

WITNESS:



DELTA SOUTHERN RAILROAD COMPANY



WITNESS:



NATIONAL RAILWAY EQUIPMENT COMPANY

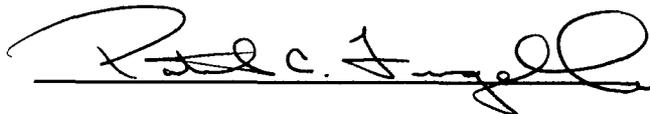


EXHIBIT "A"

Equipment to be leased:

Six (6) diesel-electric locomotives

Locomotive #1

Manufacturer	EMD
Model	CF7
Horsepower	1500
Axles	4
Road Number	100

Locomotive #2

Manufacturer	EMD
Model	CF7
Horsepower	1500
Axles	4
Road Number	101

Locomotive #3

Manufacturer	EMD
Model	CF7
Horsepower	1500
Axles	4
Road Number	102

Locomotive #4

Manufacturer	EMD
Model	CF7
Horsepower	1500
Axles	4
Road Number	103

Locomotive #5

Manufacturer	EMD
Model	CF7
Horsepower	1500
Axles	4
Road Number	104

Locomotive #6

Manufacturer	EMD
Model	CF7
Horsepower	1500
Axles	4
Road Number	105

