

RECORDATION NO. 11662 Filed 1425

APR 10 1980 - 3 10 PM

COMMISSION

CRAVATH, SWAINE & MOORE

ONE CHASE MANHATTAN PLAZA

NEW YORK, N. Y. 10005

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INTERSTATE COMMERCE COMMISSION

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INTERSTATE COMMERCE COMMISSION

April 10, 1980

The Western Pacific Railroad Company
Reconstruction and Conditional Sale Financing
Dated as of March 15, 1980
Conditional Sale Indebtedness
Due January 1, 1993

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APR 10 1980 - 3 10 PM

INTERSTATE COMMERCE COMMISSION

Dear Ms. Mergenovich:

Pursuant to 49 U.S.C. § 11303 and the Commission's rules and regulations thereunder, enclosed for filing and recordation on behalf of The Western Pacific Railroad Company are counterparts of the following:

(1) Reconstruction and Conditional Sale Agreement dated as of March 15, 1980, between Mercantile-Safe Deposit and Trust Company as Agent, Morrison-Knudsen Company, Inc. and The Connecticut Bank and Trust Company as Trustee;

(2) Transfer Agreement dated as of March 15, 1980, between The Connecticut Bank and Trust Company, as Trustee, and Mercantile-Safe Deposit Trust Company, as Agent;

(3) (a) Lease of Railroad Equipment dated as of March 15, 1980, between The Western Pacific Railroad Company and The Connecticut Bank and Trust Company, as Trustee;

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(b) Assignment of Lease and Agreement dated as of March 15, 1980, between The Connecticut Bank and Trust Company, as Trustee, and Mercantile-Safe Deposit and Trust Company, as Agent; and

(4) Hulk Purchase Agreement dated as of March 15, 1980, between The Connecticut Bank and Trust Company, as Trustee, and The Western Pacific Railroad Company.

The addresses of the parties to the above documents are:

Vendee-Lessor-Buyer:

The Connecticut Bank and Trust Company
One Constitution Plaza
Hartford, Connecticut 06115

Builder:

Morrison-Knudsen Company, Inc.
One Morrison-Knudsen Plaza
Boise, Idaho 83729

Lessee-Seller:

The Western Pacific Railroad Company
526 Mission Street
San Francisco, California 94105.

Vendor:

Mercantile-Safe Deposit and Trust Company
Two Hopkins Plaza
Baltimore, Maryland 21203.

Please file and record the above documents and cross-index them under the names of the Vendee-Lessor-Buyer, the Builder, the Lessee-Seller and the Vendor.

The equipment covered by the above documents consists of the following:

18 GP 35 diesel locomotives, AAR Mechanical Designation BB, bearing Railroad Road Numbers WP 3001-3006, WP 3008-3010, WP 3012-3015, WP 3017-3020 and WP 3022; and

15 GP 40 diesel locomotives, AAR Mechanical Designation BB, bearing Railroad Road Numbers WP 3501-3504 and WP 3506-3516.

Enclosed also is our check in the amount of \$200 for the required recordation fee. Please stamp all copies of the enclosed documents with your recordation number, retain one copy of each for your files and return the remaining copies to me.

Thank you for your assistance.

Sincerely,



Jacqueline B. Goodyear

As Agent for The Western Pacific
Railroad Company

Ms. Agatha Mergenovich,
Interstate Commerce Commission,
Washington, D.C. 20423

Encl.

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RECORDATION NO. Filed 1425

APR 10 1980 -3 10 PM

INTERSTATE COMMERCE COMMISSION

[CS&M Ref. 5415-002]

HULK PURCHASE AGREEMENT

Dated as of March 15, 1980

Between

THE CONNECTICUT BANK AND TRUST COMPANY,
not in its individual capacity but
solely as Trustee,

and

THE WESTERN PACIFIC RAILROAD COMPANY.

HULK PURCHASE AGREEMENT dated as of March 15, 1980, between THE CONNECTICUT BANK AND TRUST COMPANY, a Connecticut banking corporation, not in its individual capacity but solely as trustee (the "Buyer") under a Trust Agreement dated as of the date hereof (the "Trust Agreement") with GENERAL ELECTRIC CREDIT CORPORATION and CONNELL RICE & SUGAR CO., INC. (Connell Leasing Company Division) (the "Owners"), and THE WESTERN PACIFIC RAILROAD COMPANY, a Delaware corporation (the "Seller").

The Seller owns the used railroad equipment described in Annex I hereto (the "Hulks"). The Seller will sell the Hulks and the Buyer will purchase the Hulks for the Hulk Purchase Price set forth in Annex I hereto (the "Hulk Purchase Price"). The Seller will deliver the Hulks to the Builder for reconstruction as provided in the Reconstruction and Conditional Sale Agreement dated as of the date hereof (the "RCSA") between Mercantile-Safe Deposit and Trust Company, not in its individual capacity but solely as agent (the "Agent") under a Participation Agreement dated as of the date hereof (the "Participation Agreement"), the Builder and the Buyer.

In consideration of the agreements hereinafter set forth, the parties hereto agree as follows:

1. Delivery of Hulks. The Seller will deliver the Hulks to the Buyer in two groups (the "Groups"). (a) Group 1 will consist of 10 Hulks, which will be delivered to MORRISON-KNUDSEN COMPANY, INC. (the "Builder"), for reconstruction in accordance with the RCSA. The Buyer hereby appoints the Builder (and any employee thereof designated by the Builder), its agent to accept delivery of the Hulks in Group 1. (b) Group 2 will consist of 23 Hulks, which will be delivered to the Buyer on or before April 25, 1980, at such times and places as the Seller shall determine. The Buyer hereby appoints the Seller (and any person designated by the Seller) its agent to accept delivery of the Hulks in Group 2. The Hulks in Group 2 will be leased to the Seller pursuant to Section 5 hereof until delivery thereof to the Builder for reconstruction. The delivery of the Hulks in Group 2 by the Seller to the Builder on behalf of the Buyer shall commence as soon as practicable in accordance with the reconstruction schedule of the Builder and shall be completed on or before October 15, 1980.

2. Noncompleted Hulks. If and to the extent that any of the Hulks which had been delivered to the Builder for reconstruction are not reconstructed and accepted pursuant to the RCSA on or before March 15, 1981 (the "Noncompleted Hulks"), the Buyer hereby appoints the Builder its agent to dispose of the Noncompleted Hulks at the best price obtainable on an "as is, where is, and with all faults" basis. On May 15, 1981, the Builder will pay the Buyer the net proceeds from such sale after retaining its reasonable reconstruction expenses incurred to such date plus reasonable overhead and profit. If the net proceeds of such sale shall be less than the amounts due to the Builder, the Buyer will pay to the Builder the amount of such deficiency. Any excess of the net proceeds over the amounts due to the Builder shall be paid to the Buyer. The Buyer agrees to furnish a bill of sale in respect of such Noncompleted Hulks, without recourse or warranty.

3. No Acceptance upon Default. Notwithstanding anything to the contrary contained herein, the Buyer shall have no obligation to accept any Hulk which is delivered hereunder after (i) any event of default as defined in Article 14 of the RCSA or any event (including the commencement of any proceeding or the filing of any petition of the nature specified in subparagraphs (c) and (d) of Article 14 thereof) which with lapse of time, failure to take affirmative action and/or demand could constitute an event of default thereunder shall have occurred; or (ii) the Buyer shall have delivered written notice to the Seller that any of the conditions contained in Paragraph 8 of the Participation Agreement have not been met or waived.

4. Payment of Purchase Price. The obligation of the Buyer on each Hulk Purchase Date (as defined below) to pay to the Seller the Hulk Purchase Price of the Hulks to be settled for on such Date shall be subject to the receipt by the Buyer on or prior to such Date of the following documents:

(a) the bill of sale (the "Bill of Sale") with respect thereto, dated as of such Hulk Purchase Date, setting forth the quantity, description, the Seller's identifying numbers and place of delivery of such Hulks and transferring title to such Hulks and warranting that at the date thereof the Seller had legal title to such Hulks and good and lawful right to sell the same and that title to such Hulks was free of all claims, liens, security interests, security title and other encumbrances of any nature whatsoever;

(b) a certificate or certificates of acceptance and delivery ("Certificate of Acceptance") signed by the Buyer's authorized representatives, stating that the Hulks in such group have been delivered to and accepted on behalf of the Buyer;

(c) the Seller's invoice (the "Hulk Invoice") for such Hulks, setting forth the Hulk Purchase Price thereof; and

(d) an opinion of counsel for the Seller dated such Hulk Purchase Date, addressed to the Buyer and stating that the Bill of Sale is valid and effective to transfer and does transfer the Seller's title to such Hulks to the Buyer, and that on such date title to such Hulks was free of all claims, liens, security interests and other encumbrances of the Seller or anyone claiming through the Seller.

Subject only to the conditions set forth in this Agreement and in Paragraph 8 of the Participation Agreement, the Buyer will pay the Hulk Purchase Price of each Hulk delivered and accepted as aforesaid to the Seller as follows:

<u>Group</u>	<u>Hulk Purchase Date</u>	<u>Number of Hulks</u>	<u>Hulk Purchase Price</u>
1	4/10/80	10	\$1,442,500
2	4/30/80	23	3,147,500

or as the parties may otherwise agree. The Seller agrees to give the Buyer (with written confirmation to the Agent) at least six days prior written notice of the Hulk Purchase Date for Group 2 and the amount to be paid by the Buyer on said Hulk Purchase Date.

5. Interim Lease to Seller. The Buyer will lease each Hulk in Group 2 to the Seller from the date of delivery and acceptance of such Hulk pursuant to Section 1 hereof until the date such Hulk is delivered to the Builder for reconstruction (the "Delivery Date"). The Seller will pay rent for each Hulk so leased (the "Interim Rent") on October 15, 1980, in an amount equal to interest on the Hulk Purchase Price of such Hulk at the rate charged by Citibank, N.A., from time to time to its prime commercial borrowers for loans of 90-day maturities for the period from the Hulk Purchase Date for such Hulk to the Delivery Date or, in the case of a Hulk described in the last sentence of this Section 5, to October 15, 1980. During the period from the date of delivery and acceptance of

the Hulks in Group 2 pursuant to Section 1 hereof through and including the Delivery Date of each such Hulk, and with respect to all Hulks in Group 2, the Seller agrees to comply with the provisions of Sections 4, 5 and 8 of the Lease (as defined in the RCSA), the last paragraph of Section 2 of the Lease and the 1st, 5th, 6th and 7th paragraphs of Section 6 of the Lease as if such provisions were fully set forth herein, with any changes to such provisions of the Lease as are necessary to reflect the fact that such Hulks and not the Equipment, as therein defined, are being leased to the Seller hereunder. Notwithstanding any other provision herein or in any other Document (as defined in the Participation Agreement), if any Hulk in Group 2 is not delivered to the Builder on or before October 15, 1980, for reconstruction in accordance with the RCSA for any cause, or if in the reasonable opinion of the Buyer the fair market value of such Hulk at the time of such delivery to the Builder is less than the Hulk Purchase Price of such Hulk, the Seller will repurchase such Hulk from the Buyer on October 15, 1980, at a price equal to the Hulk Purchase Price of such Hulk.

6. Assignment by Buyer. The Buyer may assign any or all of its rights under this Agreement and/or any or all of its rights to possession of any of the Hulks. Any such assignment may be made by the Buyer without the assignee assuming any of the obligations of the Buyer hereunder. The Buyer and the Seller acknowledge that such assignment is contemplated. All of the rights of the Buyer hereunder shall inure to the benefit of the Buyer's assigns.

7. Liabilities of Parties. Notwithstanding the delivery of any Bill of Sale hereunder, the Seller agrees that all responsibility with respect to any Hulk covered by such Bill of Sale, its use and operation and risk of loss thereof shall remain with the Seller until such Hulk is delivered to and accepted by the Builder for reconstruction in accordance with the RCSA, and the Seller agrees to indemnify and hold the Buyer harmless from any claim made against the Buyer solely by reason of the transfer of title to the Hulks or with respect to the validity of such title, free from all claims, liens, security interests, security title or encumbrances of any nature other than those of the Buyer at the time of such delivery and acceptance. Upon such delivery and acceptance, all responsibility and risk of loss with respect to such Hulk shall pass to the Buyer. As of the date of such delivery and acceptance, the Buyer shall be unconditionally obligated to purchase such Hulk, without any right to a reduction in or setoff against the price thereof by reason of any past, present or future claims against the Seller under this agreement, the Participation

Agreement, the Lease (as defined in the Participation Agreement) or otherwise.

8. Representations of Seller. The Seller hereby represents and warrants to the Buyer, its successors and assigns, that this Agreement was duly authorized by it and lawfully executed and delivered for a valid consideration. Annex I and the footnotes thereto are an integral part of this Agreement and are incorporated by reference herein.

9. Limitation of Buyer Liability. Notwithstanding anything herein to the contrary, each of the representations, warranties, undertakings and agreements herein made on the part of the Buyer are made and intended not as personal representations, warranties, undertakings and agreements by The Connecticut Bank and Trust Company or for the purpose or with the intention of binding said bank personally but are made and intended for the purpose of binding only the Trust Estate (as such term is used in the Trust Agreement), and this Agreement is executed and delivered by said bank not in its own right but solely in the exercise of the powers expressly conferred upon it as trustee under the Trust Agreement; and except in the case of wilful misconduct or gross negligence by said bank, no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said bank or the Owners hereunder (except, with respect to the Owners, pursuant to Section 1.03 and the last paragraph of Section 5.01 of the Trust Agreement) on account of this Agreement or the Trust Agreement or on account of any representation, warranty, undertaking or agreement of said bank or the Owners hereunder, either expressed or implied, all such personal liability (except as aforesaid), if any, being expressly waived and released by the Seller and by all persons claiming by, through or under the Seller.

10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

11. Execution. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute a single instrument. Although for convenience this Agreement is dated as of the date first set forth above, the actual dates of execution hereof are the dates stated in the acknowledgments hereto.

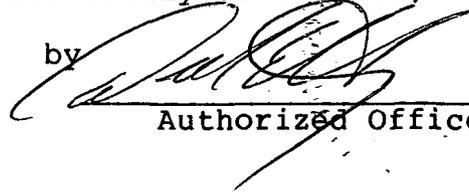
12. Headings. Section headings have been provided

for convenience only and do not form part of this instrument.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by duly authorized officers as of the date first set forth above.

THE CONNECTICUT BANK AND TRUST COMPANY, not in its individual capacity but solely as Trustee,

by


Authorized Officer

[Corporate Seal]

Attest:


Authorized Officer

THE WESTERN PACIFIC RAILROAD COMPANY,

by

Senior Vice President-Finance

[Corporate Seal]

Attest:

Assistant Secretary

Receipt of an executed counterpart of the foregoing is hereby acknowledged as of March 15, 1980.

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Agent,

by

Assistant Vice President

STATE OF CONNECTICUT,)
) ss.:
COUNTY OF HARTFORD,)

On this 9th day of April 1980, before me personally appeared Donald E. Smith, to me personally known, who, being by me duly sworn, says that he is a Vice President of THE CONNECTICUT BANK AND TRUST COMPANY, a Connecticut banking corporation, 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.

Barbara S. Kacich
Notary Public

[Notarial Seal]
My Commission Expires

BARBARA S. KACICH
NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31, 1982

STATE OF CALIFORNIA,)
) ss.:
COUNTY OF SAN FRANCISCO,)

On this _____ day of _____ 1980, before me personally appeared _____, to me personally known, who, being by me duly sworn, says that he is the Senior Vice President-Finance of THE WESTERN PACIFIC RAILROAD COMPANY, a Delaware corporation, 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.

Notary Public

[Notarial Seal]
My Commission Expires

Hulk Purchase Agreement

ANNEX I*

<u>Quantity</u>	<u>Description</u>	<u>Railroad Road Numbers</u>	<u>Hulk Purchase Price</u>	
			<u>Per Unit</u>	<u>Total</u>
18	GP 35 diesel locomotives	WP 3001-3006 WP 3008-3010 WP 3012-3015 WP 3017-3020 WP 3022	\$132,500	\$2,385,000
15	GP 35 diesel locomotives	WP 3501-3504 WP 3506-3507 WP 3509-3516	152,500	2,135,000
		WP 3508	<u>70,000</u>	<u>70,000</u>
			\$355,000	\$4,590,000

* Notwithstanding anything herein to the contrary, this Agreement will only cover Hulks delivered by the Seller and reconstructed and accepted by the Buyer on or before March 15, 1981, having an aggregate Purchase Price when reconstructed not in excess of the Maximum Purchase Price specified in Article 3 of the RCSA.

[CS&M Ref. 5415-002]

HULK PURCHASE AGREEMENT

Dated as of March 15, 1980

Between

THE CONNECTICUT BANK AND TRUST COMPANY,
not in its individual capacity but
solely as Trustee,

and

THE WESTERN PACIFIC RAILROAD COMPANY.

HULK PURCHASE AGREEMENT dated as of March 15, 1980, between THE CONNECTICUT BANK AND TRUST COMPANY, a Connecticut banking corporation, not in its individual capacity but solely as trustee (the "Buyer") under a Trust Agreement dated as of the date hereof (the "Trust Agreement") with GENERAL ELECTRIC CREDIT CORPORATION and CONNELL RICE & SUGAR CO., INC. (Connell Leasing Company Division) (the "Owners"), and THE WESTERN PACIFIC RAILROAD COMPANY, a Delaware corporation (the "Seller").

The Seller owns the used railroad equipment described in Annex I hereto (the "Hulks"). The Seller will sell the Hulks and the Buyer will purchase the Hulks for the Hulk Purchase Price set forth in Annex I hereto (the "Hulk Purchase Price"). The Seller will deliver the Hulks to the Builder for reconstruction as provided in the Reconstruction and Conditional Sale Agreement dated as of the date hereof (the "RCSA") between Mercantile-Safe Deposit and Trust Company, not in its individual capacity but solely as agent (the "Agent") under a Participation Agreement dated as of the date hereof (the "Participation Agreement"), the Builder and the Buyer.

In consideration of the agreements hereinafter set forth, the parties hereto agree as follows:

1. Delivery of Hulks. The Seller will deliver the Hulks to the Buyer in two groups (the "Groups"). (a) Group 1 will consist of 10 Hulks, which will be delivered to MORRISON-KNUDSEN COMPANY, INC. (the "Builder"), for reconstruction in accordance with the RCSA. The Buyer hereby appoints the Builder (and any employee thereof designated by the Builder), its agent to accept delivery of the Hulks in Group 1. (b) Group 2 will consist of 23 Hulks, which will be delivered to the Buyer on or before April 25, 1980, at such times and places as the Seller shall determine. The Buyer hereby appoints the Seller (and any person designated by the Seller) its agent to accept delivery of the Hulks in Group 2. The Hulks in Group 2 will be leased to the Seller pursuant to Section 5 hereof until delivery thereof to the Builder for reconstruction. The delivery of the Hulks in Group 2 by the Seller to the Builder on behalf of the Buyer shall commence as soon as practicable in accordance with the reconstruction schedule of the Builder and shall be completed on or before October 15, 1980.

2. Noncompleted Hulks. If and to the extent that any of the Hulks which had been delivered to the Builder for reconstruction are not reconstructed and accepted pursuant to the RCSA on or before March 15, 1981 (the "Noncompleted Hulks"), the Buyer hereby appoints the Builder its agent to dispose of the Noncompleted Hulks at the best price obtainable on an "as is, where is, and with all faults" basis. On May 15, 1981, the Builder will pay the Buyer the net proceeds from such sale after retaining its reasonable reconstruction expenses incurred to such date plus reasonable overhead and profit. If the net proceeds of such sale shall be less than the amounts due to the Builder, the Buyer will pay to the Builder the amount of such deficiency. Any excess of the net proceeds over the amounts due to the Builder shall be paid to the Buyer. The Buyer agrees to furnish a bill of sale in respect of such Noncompleted Hulks, without recourse or warranty.

3. No Acceptance upon Default. Notwithstanding anything to the contrary contained herein, the Buyer shall have no obligation to accept any Hulk which is delivered hereunder after (i) any event of default as defined in Article 14 of the RCSA or any event (including the commencement of any proceeding or the filing of any petition of the nature specified in subparagraphs (c) and (d) of Article 14 thereof) which with lapse of time, failure to take affirmative action and/or demand could constitute an event of default thereunder shall have occurred; or (ii) the Buyer shall have delivered written notice to the Seller that any of the conditions contained in Paragraph 8 of the Participation Agreement have not been met or waived.

4. Payment of Purchase Price. The obligation of the Buyer on each Hulk Purchase Date (as defined below) to pay to the Seller the Hulk Purchase Price of the Hulks to be settled for on such Date shall be subject to the receipt by the Buyer on or prior to such Date of the following documents:

(a) the bill of sale (the "Bill of Sale") with respect thereto, dated as of such Hulk Purchase Date, setting forth the quantity, description, the Seller's identifying numbers and place of delivery of such Hulks and transferring title to such Hulks and warranting that at the date thereof the Seller had legal title to such Hulks and good and lawful right to sell the same and that title to such Hulks was free of all claims, liens, security interests, security title and other encumbrances of any nature whatsoever;

(b) a certificate or certificates of acceptance and delivery ("Certificate of Acceptance") signed by the Buyer's authorized representatives, stating that the Hulks in such group have been delivered to and accepted on behalf of the Buyer;

(c) the Seller's invoice (the "Hulk Invoice") for such Hulks, setting forth the Hulk Purchase Price thereof; and

(d) an opinion of counsel for the Seller dated such Hulk Purchase Date, addressed to the Buyer and stating that the Bill of Sale is valid and effective to transfer and does transfer the Seller's title to such Hulks to the Buyer, and that on such date title to such Hulks was free of all claims, liens, security interests and other encumbrances of the Seller or anyone claiming through the Seller.

Subject only to the conditions set forth in this Agreement and in Paragraph 8 of the Participation Agreement, the Buyer will pay the Hulk Purchase Price of each Hulk delivered and accepted as aforesaid to the Seller as follows:

<u>Group</u>	<u>Hulk Purchase Date</u>	<u>Number of Hulks</u>	<u>Hulk Purchase Price</u>
1	4/10/80	10	\$1,442,500
2	4/30/80	23	3,147,500

or as the parties may otherwise agree. The Seller agrees to give the Buyer (with written confirmation to the Agent) at least six days prior written notice of the Hulk Purchase Date for Group 2 and the amount to be paid by the Buyer on said Hulk Purchase Date.

5. Interim Lease to Seller. The Buyer will lease each Hulk in Group 2 to the Seller from the date of delivery and acceptance of such Hulk pursuant to Section 1 hereof until the date such Hulk is delivered to the Builder for reconstruction (the "Delivery Date"). The Seller will pay rent for each Hulk so leased (the "Interim Rent") on October 15, 1980, in an amount equal to interest on the Hulk Purchase Price of such Hulk at the rate charged by Citibank, N.A., from time to time to its prime commercial borrowers for loans of 90-day maturities for the period from the Hulk Purchase Date for such Hulk to the Delivery Date or, in the case of a Hulk described in the last sentence of this Section 5, to October 15, 1980. During the period from the date of delivery and acceptance of

the Hulks in Group 2 pursuant to Section 1 hereof through and including the Delivery Date of each such Hulk, and with respect to all Hulks in Group 2, the Seller agrees to comply with the provisions of Sections 4, 5 and 8 of the Lease (as defined in the RCSA), the last paragraph of Section 2 of the Lease and the 1st, 5th, 6th and 7th paragraphs of Section 6 of the Lease as if such provisions were fully set forth herein, with any changes to such provisions of the Lease as are necessary to reflect the fact that such Hulks and not the Equipment, as therein defined, are being leased to the Seller hereunder. Notwithstanding any other provision herein or in any other Document (as defined in the Participation Agreement), if any Hulk in Group 2 is not delivered to the Builder on or before October 15, 1980, for reconstruction in accordance with the RCSA for any cause, or if in the reasonable opinion of the Buyer the fair market value of such Hulk at the time of such delivery to the Builder is less than the Hulk Purchase Price of such Hulk, the Seller will repurchase such Hulk from the Buyer on October 15, 1980, at a price equal to the Hulk Purchase Price of such Hulk.

6. Assignment by Buyer. The Buyer may assign any or all of its rights under this Agreement and/or any or all of its rights to possession of any of the Hulks. Any such assignment may be made by the Buyer without the assignee assuming any of the obligations of the Buyer hereunder. The Buyer and the Seller acknowledge that such assignment is contemplated. All of the rights of the Buyer hereunder shall inure to the benefit of the Buyer's assigns.

7. Liabilities of Parties. Notwithstanding the delivery of any Bill of Sale hereunder, the Seller agrees that all responsibility with respect to any Hulk covered by such Bill of Sale, its use and operation and risk of loss thereof shall remain with the Seller until such Hulk is delivered to and accepted by the Builder for reconstruction in accordance with the RCSA, and the Seller agrees to indemnify and hold the Buyer harmless from any claim made against the Buyer solely by reason of the transfer of title to the Hulks or with respect to the validity of such title, free from all claims, liens, security interests, security title or encumbrances of any nature other than those of the Buyer at the time of such delivery and acceptance. Upon such delivery and acceptance, all responsibility and risk of loss with respect to such Hulk shall pass to the Buyer. As of the date of such delivery and acceptance, the Buyer shall be unconditionally obligated to purchase such Hulk, without any right to a reduction in or setoff against the price thereof by reason of any past, present or future claims against the Seller under this agreement, the Participation

Agreement, the Lease (as defined in the Participation Agreement) or otherwise.

8. Representations of Seller. The Seller hereby represents and warrants to the Buyer, its successors and assigns, that this Agreement was duly authorized by it and lawfully executed and delivered for a valid consideration. Annex I and the footnotes thereto are an integral part of this Agreement and are incorporated by reference herein.

9. Limitation of Buyer Liability. Notwithstanding anything herein to the contrary, each of the representations, warranties, undertakings and agreements herein made on the part of the Buyer are made and intended not as personal representations, warranties, undertakings and agreements by The Connecticut Bank and Trust Company or for the purpose or with the intention of binding said bank personally but are made and intended for the purpose of binding only the Trust Estate (as such term is used in the Trust Agreement), and this Agreement is executed and delivered by said bank not in its own right but solely in the exercise of the powers expressly conferred upon it as trustee under the Trust Agreement; and except in the case of wilful misconduct or gross negligence by said bank, no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said bank or the Owners hereunder (except, with respect to the Owners, pursuant to Section 1.03 and the last paragraph of Section 5.01 of the Trust Agreement) on account of this Agreement or the Trust Agreement or on account of any representation, warranty, undertaking or agreement of said bank or the Owners hereunder, either expressed or implied, all such personal liability (except as aforesaid), if any, being expressly waived and released by the Seller and by all persons claiming by, through or under the Seller.

10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

11. Execution. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute a single instrument. Although for convenience this Agreement is dated as of the date first set forth above, the actual dates of execution hereof are the dates stated in the acknowledgments hereto.

12. Headings. Section headings have been provided

for convenience only and do not form part of this instrument.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by duly authorized officers as of the date first set forth above.

THE CONNECTICUT BANK AND TRUST COMPANY, not in its individual capacity but solely as Trustee,

by

Authorized Officer

[Corporate Seal]

Attest:

Authorized Officer

THE WESTERN PACIFIC RAILROAD COMPANY,

by

Q. W. Hambro, Jr.

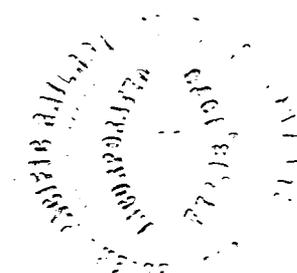
Senior Vice President-Finance

[Corporate Seal]

Attest:

Katherine M. Griff

Assistant Secretary



Receipt of an executed counterpart of the foregoing is hereby acknowledged as of March 15, 1980.

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Agent,

by

Assistant Vice President

STATE OF CONNECTICUT,)
) ss.:
COUNTY OF HARTFORD,)

On this day of 1980, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a Vice President of THE CONNECTICUT BANK AND TRUST COMPANY, a Connecticut banking corporation, 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.

Notary Public

[Notarial Seal]

My Commission Expires

STATE OF CALIFORNIA,)
) ss.:
COUNTY OF SAN FRANCISCO,)

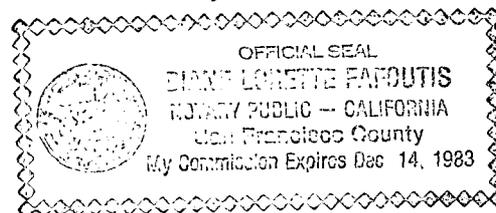
On this *9th* day of *April* 1980, before me personally appeared *R. W. STUMBO, JR.*, to me personally known, who, being by me duly sworn, says that he is the Senior Vice President-Finance of THE WESTERN PACIFIC RAILROAD COMPANY, a Delaware corporation, that one of the seals affixed to the foregoing 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.

Diane Lorette Fafoutis

Notary Public

[Notarial Seal]

My Commission Expires *Dec. 14, 1983.*



Hulk Purchase Agreement

ANNEX I*

<u>Quantity</u>	<u>Description</u>	<u>Railroad Road Numbers</u>	<u>Hulk Purchase Price</u>	
			<u>Per Unit</u>	<u>Total</u>
18	GP 35 diesel locomotives	WP 3001-3006 WP 3008-3010 WP 3012-3015 WP 3017-3020 WP 3022	\$132,500	\$2,385,000
15	GP 35 diesel locomotives	WP 3501-3504 WP 3506-3507 WP 3509-3516	152,500	2,135,000
		WP 3508	<u>70,000</u>	<u>70,000</u>
			\$355,000	\$4,590,000

* Notwithstanding anything herein to the contrary, this Agreement will only cover Hulks delivered by the Seller and reconstructed and accepted by the Buyer on or before March 15, 1981, having an aggregate Purchase Price when reconstructed not in excess of the Maximum Purchase Price specified in Article 3 of the RCSA.

[CS&M Ref. 5415-002]

HULK PURCHASE AGREEMENT

Dated as of March 15, 1980

Between

THE CONNECTICUT BANK AND TRUST COMPANY,
not in its individual capacity but
solely as Trustee,

and

THE WESTERN PACIFIC RAILROAD COMPANY.

HULK PURCHASE AGREEMENT dated as of March 15, 1980, between THE CONNECTICUT BANK AND TRUST COMPANY, a Connecticut banking corporation, not in its individual capacity but solely as trustee (the "Buyer") under a Trust Agreement dated as of the date hereof (the "Trust Agreement") with GENERAL ELECTRIC CREDIT CORPORATION and CONNELL RICE & SUGAR CO., INC. (Connell Leasing Company Division) (the "Owners"), and THE WESTERN PACIFIC RAILROAD COMPANY, a Delaware corporation (the "Seller").

The Seller owns the used railroad equipment described in Annex I hereto (the "Hulks"). The Seller will sell the Hulks and the Buyer will purchase the Hulks for the Hulk Purchase Price set forth in Annex I hereto (the "Hulk Purchase Price"). The Seller will deliver the Hulks to the Builder for reconstruction as provided in the Reconstruction and Conditional Sale Agreement dated as of the date hereof (the "RCSA") between Mercantile-Safe Deposit and Trust Company, not in its individual capacity but solely as agent (the "Agent") under a Participation Agreement dated as of the date hereof (the "Participation Agreement"), the Builder and the Buyer.

In consideration of the agreements hereinafter set forth, the parties hereto agree as follows:

1. Delivery of Hulks. The Seller will deliver the Hulks to the Buyer in two groups (the "Groups"). (a) Group 1 will consist of 10 Hulks, which will be delivered to MORRISON-KNUDSEN COMPANY, INC. (the "Builder"), for reconstruction in accordance with the RCSA. The Buyer hereby appoints the Builder (and any employee thereof designated by the Builder), its agent to accept delivery of the Hulks in Group 1. (b) Group 2 will consist of 23 Hulks, which will be delivered to the Buyer on or before April 25, 1980, at such times and places as the Seller shall determine. The Buyer hereby appoints the Seller (and any person designated by the Seller) its agent to accept delivery of the Hulks in Group 2. The Hulks in Group 2 will be leased to the Seller pursuant to Section 5 hereof until delivery thereof to the Builder for reconstruction. The delivery of the Hulks in Group 2 by the Seller to the Builder on behalf of the Buyer shall commence as soon as practicable in accordance with the reconstruction schedule of the Builder and shall be completed on or before October 15, 1980.

2. Noncompleted Hulks. If and to the extent that any of the Hulks which had been delivered to the Builder for reconstruction are not reconstructed and accepted pursuant to the RCSA on or before March 15, 1981 (the "Noncompleted Hulks"), the Buyer hereby appoints the Builder its agent to dispose of the Noncompleted Hulks at the best price obtainable on an "as is, where is, and with all faults" basis. On May 15, 1981, the Builder will pay the Buyer the net proceeds from such sale after retaining its reasonable reconstruction expenses incurred to such date plus reasonable overhead and profit. If the net proceeds of such sale shall be less than the amounts due to the Builder, the Buyer will pay to the Builder the amount of such deficiency. Any excess of the net proceeds over the amounts due to the Builder shall be paid to the Buyer. The Buyer agrees to furnish a bill of sale in respect of such Noncompleted Hulks, without recourse or warranty.

3. No Acceptance upon Default. Notwithstanding anything to the contrary contained herein, the Buyer shall have no obligation to accept any Hulk which is delivered hereunder after (i) any event of default as defined in Article 14 of the RCSA or any event (including the commencement of any proceeding or the filing of any petition of the nature specified in subparagraphs (c) and (d) of Article 14 thereof) which with lapse of time, failure to take affirmative action and/or demand could constitute an event of default thereunder shall have occurred; or (ii) the Buyer shall have delivered written notice to the Seller that any of the conditions contained in Paragraph 8 of the Participation Agreement have not been met or waived.

4. Payment of Purchase Price. The obligation of the Buyer on each Hulk Purchase Date (as defined below) to pay to the Seller the Hulk Purchase Price of the Hulks to be settled for on such Date shall be subject to the receipt by the Buyer on or prior to such Date of the following documents:

(a) the bill of sale (the "Bill of Sale") with respect thereto, dated as of such Hulk Purchase Date, setting forth the quantity, description, the Seller's identifying numbers and place of delivery of such Hulks and transferring title to such Hulks and warranting that at the date thereof the Seller had legal title to such Hulks and good and lawful right to sell the same and that title to such Hulks was free of all claims, liens, security interests, security title and other encumbrances of any nature whatsoever;

(b) a certificate or certificates of acceptance and delivery ("Certificate of Acceptance") signed by the Buyer's authorized representatives, stating that the Hulks in such group have been delivered to and accepted on behalf of the Buyer;

(c) the Seller's invoice (the "Hulk Invoice") for such Hulks, setting forth the Hulk Purchase Price thereof; and

(d) an opinion of counsel for the Seller dated such Hulk Purchase Date, addressed to the Buyer and stating that the Bill of Sale is valid and effective to transfer and does transfer the Seller's title to such Hulks to the Buyer, and that on such date title to such Hulks was free of all claims, liens, security interests and other encumbrances of the Seller or anyone claiming through the Seller.

Subject only to the conditions set forth in this Agreement and in Paragraph 8 of the Participation Agreement, the Buyer will pay the Hulk Purchase Price of each Hulk delivered and accepted as aforesaid to the Seller as follows:

<u>Group</u>	<u>Hulk Purchase Date</u>	<u>Number of Hulks</u>	<u>Hulk Purchase Price</u>
1	4/10/80	10	\$1,442,500
2	4/30/80	23	3,147,500

or as the parties may otherwise agree. The Seller agrees to give the Buyer (with written confirmation to the Agent) at least six days prior written notice of the Hulk Purchase Date for Group 2 and the amount to be paid by the Buyer on said Hulk Purchase Date.

5. Interim Lease to Seller. The Buyer will lease each Hulk in Group 2 to the Seller from the date of delivery and acceptance of such Hulk pursuant to Section 1 hereof until the date such Hulk is delivered to the Builder for reconstruction (the "Delivery Date"). The Seller will pay rent for each Hulk so leased (the "Interim Rent") on October 15, 1980, in an amount equal to interest on the Hulk Purchase Price of such Hulk at the rate charged by Citibank, N.A., from time to time to its prime commercial borrowers for loans of 90-day maturities for the period from the Hulk Purchase Date for such Hulk to the Delivery Date or, in the case of a Hulk described in the last sentence of this Section 5, to October 15, 1980. During the period from the date of delivery and acceptance of

the Hulks in Group 2 pursuant to Section 1 hereof through and including the Delivery Date of each such Hulk, and with respect to all Hulks in Group 2, the Seller agrees to comply with the provisions of Sections 4, 5 and 8 of the Lease (as defined in the RCSA), the last paragraph of Section 2 of the Lease and the 1st, 5th, 6th and 7th paragraphs of Section 6 of the Lease as if such provisions were fully set forth herein, with any changes to such provisions of the Lease as are necessary to reflect the fact that such Hulks and not the Equipment, as therein defined, are being leased to the Seller hereunder. Notwithstanding any other provision herein or in any other Document (as defined in the Participation Agreement), if any Hulk in Group 2 is not delivered to the Builder on or before October 15, 1980, for reconstruction in accordance with the RCSA for any cause, or if in the reasonable opinion of the Buyer the fair market value of such Hulk at the time of such delivery to the Builder is less than the Hulk Purchase Price of such Hulk, the Seller will repurchase such Hulk from the Buyer on October 15, 1980, at a price equal to the Hulk Purchase Price of such Hulk.

6. Assignment by Buyer. The Buyer may assign any or all of its rights under this Agreement and/or any or all of its rights to possession of any of the Hulks. Any such assignment may be made by the Buyer without the assignee assuming any of the obligations of the Buyer hereunder. The Buyer and the Seller acknowledge that such assignment is contemplated. All of the rights of the Buyer hereunder shall inure to the benefit of the Buyer's assigns.

7. Liabilities of Parties. Notwithstanding the delivery of any Bill of Sale hereunder, the Seller agrees that all responsibility with respect to any Hulk covered by such Bill of Sale, its use and operation and risk of loss thereof shall remain with the Seller until such Hulk is delivered to and accepted by the Builder for reconstruction in accordance with the RCSA, and the Seller agrees to indemnify and hold the Buyer harmless from any claim made against the Buyer solely by reason of the transfer of title to the Hulks or with respect to the validity of such title, free from all claims, liens, security interests, security title or encumbrances of any nature other than those of the Buyer at the time of such delivery and acceptance. Upon such delivery and acceptance, all responsibility and risk of loss with respect to such Hulk shall pass to the Buyer. As of the date of such delivery and acceptance, the Buyer shall be unconditionally obligated to purchase such Hulk, without any right to a reduction in or setoff against the price thereof by reason of any past, present or future claims against the Seller under this agreement, the Participation

Agreement, the Lease (as defined in the Participation Agreement) or otherwise.

8. Representations of Seller. The Seller hereby represents and warrants to the Buyer, its successors and assigns, that this Agreement was duly authorized by it and lawfully executed and delivered for a valid consideration. Annex I and the footnotes thereto are an integral part of this Agreement and are incorporated by reference herein.

9. Limitation of Buyer Liability. Notwithstanding anything herein to the contrary, each of the representations, warranties, undertakings and agreements herein made on the part of the Buyer are made and intended not as personal representations, warranties, undertakings and agreements by The Connecticut Bank and Trust Company or for the purpose or with the intention of binding said bank personally but are made and intended for the purpose of binding only the Trust Estate (as such term is used in the Trust Agreement), and this Agreement is executed and delivered by said bank not in its own right but solely in the exercise of the powers expressly conferred upon it as trustee under the Trust Agreement; and except in the case of wilful misconduct or gross negligence by said bank, no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said bank or the Owners hereunder (except, with respect to the Owners, pursuant to Section 1.03 and the last paragraph of Section 5.01 of the Trust Agreement) on account of this Agreement or the Trust Agreement or on account of any representation, warranty, undertaking or agreement of said bank or the Owners hereunder, either expressed or implied, all such personal liability (except as aforesaid), if any, being expressly waived and released by the Seller and by all persons claiming by, through or under the Seller.

10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

11. Execution. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute a single instrument. Although for convenience this Agreement is dated as of the date first set forth above, the actual dates of execution hereof are the dates stated in the acknowledgments hereto.

12. Headings. Section headings have been provided

for convenience only and do not form part of this instrument.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by duly authorized officers as of the date first set forth above.

THE CONNECTICUT BANK AND TRUST COMPANY, not in its individual capacity but solely as Trustee,

by

Authorized Officer

[Corporate Seal]

Attest:

Authorized Officer

THE WESTERN PACIFIC RAILROAD COMPANY,

by

Senior Vice President-Finance

[Corporate Seal]

Attest:

Assistant Secretary

Receipt of an executed counterpart of the foregoing is hereby acknowledged as of March 15, 1980.

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Agent,

by



Assistant Vice President

STATE OF CONNECTICUT,)
) ss.:
 COUNTY OF HARTFORD,)

On this day of 1980, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a Vice President of THE CONNECTICUT BANK AND TRUST COMPANY, a Connecticut banking corporation, 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.

Notary Public

[Notarial Seal]

My Commission Expires

STATE OF CALIFORNIA,)
) ss.:
 COUNTY OF SAN FRANCISCO,)

On this day of 1980, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is the Senior Vice President-Finance of THE WESTERN PACIFIC RAILROAD COMPANY, a Delaware corporation, 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.

Notary Public

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My Commission Expires

Hulk Purchase Agreement

ANNEX I*

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