

CRAVATH, SWAINE & MOORE

ONE CHASE MANHATTAN PLAZA

NEW YORK, N.Y. 10005

14476 B

RALPH L. McAFEE
 HENRY W. OSKOSMIAN
 ALLEN F. MAULSBY
 STEWARD R. BROSS, JR.
 HENRY P. RIORDAN
 JOHN R. HUPPER
 SAMUEL C. BUTLER
 WILLIAM J. SCHRENK, JR.
 BENJAMIN F. CRANE
 JOHN F. HUNT
 GEORGE J. GILLESPIE, III
 RICHARD S. SIMMONS
 WAYNE E. CHAPMAN
 THOMAS D. BARR
 MELVIN L. BEDRICK
 GEORGE T. LOWY
 ROBERT ROSENMAN
 JAMES H. DUFFY
 ALAN J. HRUSKA
 JOHN E. YOUNG
 JAMES M. EDWARDS
 DAVID G. ORMSBY
 DAVID L. SCHWARTZ
 RICHARD J. HIEGEL
 CHRISTINE BESHAR
 ROBERT S. RIFKIND
 DAVID BOIES
 DAVID O. BROWNWOOD

PAUL M. DODYK
 RICHARD M. ALLEN
 THOMAS R. BROME
 ROBERT D. JOFFE
 ROBERT F. MULLEN
 RONALD S. ROLFE
 JOSEPH R. SAHID
 PAUL C. SAUNDERS
 MARTIN L. SENZEL
 DOUGLAS D. BROADWATER
 ALAN C. STEPHENSON
 RICHARD L. HOFFMAN
 JOSEPH A. MULLINS
 MAX R. SHULMAN
 WILLIAM P. DICKEY
 STUART W. GOLD
 JOHN W. WHITE
 JOHN E. BEERBOWER
 EVAN R. CHESLER
 PATRICIA GEOGHEGAN
 D. COLLIER KIRKHAM
 MICHAEL L. SCHLER
 DANIEL P. CUNNINGHAM
 KRIS F. HEINZELMAN
 B. ROBBINS KIESSLING
 ROGER D. T...
 PHILIP A. G...
 RORY O. MILLSON

COUNSEL
MAURICE T. MOORE

TELEPHONE
212 422-3000

TELEX
RCA 233063
WUD 125547
WUI 620976

CABLE ADDRESSES
CRAVATH, N. Y.
CRAVATH, LONDON E. C. 2

15 LANE, CHEAPSIDE
LONDON EC2V 8BT, ENGLAND

TELEPHONE: 1-808-1421
TELEX: 8814901
FAX/INFOTEC:
606-1425

INTERSTATE COMMERCE COMMISSION

November 9, 1984

Southern Pacific Transportation Company
Lease Financing Dated as of October 1, 1984
13-5/8% Conditional Sale Indebtedness
Due February 1, 2000

14476 A
 NOV 16 1984 - 2:00 PM
 INTERSTATE COMMERCE COMMISSION

Dear Mr. Bayne:

Pursuant to 49 U.S.C. § 11303 and the Commission's rules and regulations thereunder, as amended, I enclose herewith on behalf of Southern Pacific Transportation Company, for filing and recordation counterparts of the following documents:

1. (a) Conditional Sale Agreement dated as of October 1, 1984, between The Connecticut Bank and Trust Company, National Association, as Trustee, and General Motors Corporation (Electro-Motive Division), and General Electric Company, as Builders; and

(b) Agreement and Assignment dated as of October 1, 1984, among General Motors Corporation (Electro-Motive Division) and General Electric Company, as Builders, and Mercantile-Safe Deposit and Trust Company, as Agent.

2. (a) Lease of Railroad Equipment dated as of October 1, 1984, between Southern Pacific Transportation Company, as Lessee, and The Connecticut Bank and Trust Company, National Association, as Trustee; and

Handwritten signature: Allen Kawano

(b) Assignment of Lease and Agreement dated as of October 1, 1984, between The Connecticut Bank and Trust Company, National Association, as Trustee, and Mercantile-Safe Deposit and Trust Company, as Agent.

The names and addresses of the parties to the aforementioned agreements are as follows:

1. Agent:

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

2. Trustee-Lessor:

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

3. Builders-Vendors:

General Motors Corporation
(Electro-Motive Division)
La Grange, Illinois 60525

General Electric Company
2901 East Lake Road
Erie, Pennsylvania 16531

4. Lessee:

Southern Pacific Transportation Company
One Market Plaza
San Francisco, California 94105

Please file and record the documents referred to in this letter and index them under the names of the Agent, the Trustee-Lessor, the Builders-Vendors and the Lessee.

The equipment covered by the aforementioned documents consist of the following:

8 GMC-EMD 3,000 h.p. Model GP40-2 diesel electric locomotives bearing the Lessee's identification numbers SP7240-SP7247, both inclusive, and 16 GE 3,750 h.p. Model 3630-D diesel electric locomotives bearing the Lessee's identification numbers SP7754-SP7769, both inclusive, and

also bearing the legend "Ownership Subject to a Security Agreement Filed with The Interstate Commerce Commission".

There is also enclosed a check for \$20 payable to the Interstate Commerce Commission, representing the fee for recording the Conditional Sale Agreement and related Agreement and Assignment (together constituting one document), and the Lease of Railroad Equipment and related Assignment of Lease and Agreement (together constituting one document).

Please stamp all counterparts of the enclosed documents with your official recording stamp. You will wish to retain one copy of the instruments for your files. It is requested that the remaining counterparts be delivered to the bearer of this letter.

Very truly yours,

Laurance V. Goodrich

Laurance V. Goodrich
as Agent for
Southern Pacific
Transportation Company

James H. Bayne, Secretary,
Interstate Commerce Commission,
Washington, D. C. 20423

Encls.

Interstate Commerce Commission
Washington, D.C. 20423

11/16/84

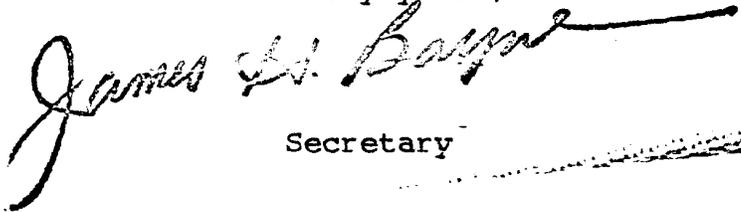
OFFICE OF THE SECRETARY

Laurance V. Goodrich
Cravath Swaine & Moore
One Chase Manhattan Plaza
New York, N.Y. 10005

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 11/16/84 at 2:40pm and assigned re-
recording number(s). 14476, 14476-A, 14476-B & 14476-C

Sincerely yours,


Secretary

Enclosure(s)

NOV 16 1984 11 22 AM

INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF LEASE dated as of November 15, 1984 ("Assignment"), by and between THE CONNECTICUT BANK AND TRUST COMPANY, NATIONAL ASSOCIATION, not in its individual capacity but solely as Trustees (hereinafter collectively, together with its successors and assigns, called the "Trustee") acting under three separate Trust Agreements dated as of July 1, 1980, October 1, 1980 and February 1, 1981, respectively, as amended (collectively, the "Trust Agreement"), with GENERAL ELECTRIC CREDIT CORPORATION ("Owner") and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, not in its individual capacity but solely as agents (collectively, the "Agent") for certain institutional investors ("Investors") under three separate Participation Agreements dated as of July 1, 1980, October 1, 1980 and February 1, 1981, respectively, as amended (collectively, the "Participation Agreement").

WHEREAS the Trustee entered into three separate Conditional Sale Agreements dated as of July 1, 1980, October 1, 1980 and February 1, 1981, respectively, as amended (individually, a "CSA" and collectively, the "CSAs") with the manufacturers specified in Item 1 of Annex A to each CSA ("Builders"), whereby the Trustee purchased certain units of railroad equipment on behalf of the Owner ("Original Units") described in the Annex B thereto, and the CSAs were assigned to the Agent by the Builders;

WHEREAS, all of the Original Units had been leased by the Trustee to Railgon Company ("Railgon") pursuant to three separate Leases of Railroad Equipment dated July 1, 1980, October 1, 1980 and February 1, 1981, respectively, as amended (the "Railgon Leases");

WHEREAS, the Trustee has leased certain of such Original Units (the "Units") to Seaboard System Railroad, Inc. (the "Seaboard Lessee") pursuant to a Lease of Railroad Equipment dated as of November 15, 1984 (hereinafter, together with all amendments and supplements thereto, being called the "Seaboard Lease");

WHEREAS, in order to provide further security for the obligations of the Trustee under the CSAs, the Trustee has agreed to assign for security purposes pursuant to this Assignment its rights in, to and under the Seaboard Lease to the Agent.

NOW, THEREFORE, in consideration of the payments to be made, the parties hereto agree as follows:

1. Subject to the provisions of Paragraph 10 hereof, the Trustee hereby assigns, transfers and sets over unto the Agent, as collateral security for the payment and performance of the Trustee's obligations in respect of the Seaboard CSA Indebtedness under each of the CSAs, all the Trustee's right, title and interest, powers, privileges, and other benefits under the Seaboard Lease (including those inuring to the benefit of the Owner and the Owner's assigns by reason of § 12 of the Seaboard Lease), including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Trustee under or pursuant to the provisions of the Seaboard Lease whether as rent, casualty payment, indemnity (except sums that by the express terms of the Seaboard Lease are payable directly to the Owner or the Trustee pursuant to §§ 6, 9 and 17 of the Seaboard Lease), liquidated damages, payment in respect of purchase option or otherwise (such moneys being hereinafter called "Payments"), and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default specified in the Seaboard Lease, and to do any and all other things whatsoever that the Trustee is or may become entitled to do under the Seaboard Lease. In furtherance of the foregoing assignment, the Trustee hereby irrevocably authorizes and empowers the Agent in its own name, or in the name of its nominee, or in the name of the Trustee or as its attorney, to ask, demand, sue for, collect and receive any and all Payments to which the Trustee is or may become entitled under the Seaboard Lease and to enforce compliance by the Seaboard Lessee with all the terms and provisions thereof.

The Agent agrees to accept any Payments made by the Seaboard Lessee for the account of the Trustee pursuant to the Seaboard Lease and, to the extent received, the Agent will apply such Payments to satisfy the obligations of the Trustee under the CSAs then due and payable in respect of the Seaboard CSA Indebtedness, subject to the limitations contained in the last paragraph of Article 4 of the CSAs, and any balance held by the Agent hereunder for the account of the Trustee shall be deemed to be held in trust for the Trustee and shall be paid immediately to and retained by the Trustee. If the Agent shall not receive any rental payment under the first paragraph of § 3 of the Seaboard Lease or any payment of Casualty Values under § 7 of the Seaboard Lease when due, the Agent shall promptly notify the Trustee by telegraphic communication at the address set forth in the

Seaboard Lease. Failure to so notify the Trustee shall not affect the rights and remedies of the Agent hereunder or under the CSAs; except that the Agent may not declare an event of default under subparagraph (a) or (f) of Article 15 of the CSAs arising solely by reason of the failure of the Seaboard Lessee to make any such rental payment that, pursuant to subparagraph (f) of Article 15 of the CSAs, would not constitute an event of default thereunder if the Trustee complies with the provisions thereof, unless such event of default is not remedied within 5 days after notification is given as aforesaid.

2. This Assignment is executed only as security for the obligations of the Trustee under the CSAs in respect of the Seaboard CSA Indebtedness and, therefore, the execution and delivery of this Assignment shall not subject the Agent to, or transfer, or pass, or in any way affect or modify the liability of the Trustee under, the Seaboard Lease, it being agreed that, notwithstanding this Assignment or any subsequent assignment, all obligations of the Trustee to the Seaboard Lessee shall be and remain enforceable by the Seaboard Lessee, its successors and assigns, against, and only against, the Trustee or persons other than the Agent.

3. To protect the security afforded by this Assignment, the Trustee agrees as follows:

(a) The Trustee will faithfully abide by, perform and discharge each and every obligation, covenant and agreement that the Seaboard Lease provides are to be performed by the Trustee; without the written consent of the Agent, the Trustee will not anticipate the rents under the Seaboard Lease or waive, excuse, condone, forgive or in any manner release or discharge the Seaboard Lessee thereunder of or from the obligations, covenants, conditions and agreements to be performed by the Seaboard Lessee which are intended to satisfy the obligations of the Trustee under the CSAs, including, without limitation, the obligation to pay the rents in the manner and at the time and place specified therein or enter into any agreement so amending, modifying or terminating the Seaboard Lease, and the Trustee agrees that any such amendment, modification or termination thereof without such consent shall be void.

(b) Should the Trustee fail to make any payment or to do any act which this Assignment requires the Trustee to make or do, then the Agent, but without obligation so to do, after first making written demand

upon the Trustee and affording the Trustee a reasonable period of time within which to make such payment or do such act, but without releasing the Trustee from any obligation hereunder, may make or do the same in such manner and to such extent as the Agent may deem necessary to protect the security provided hereby, including specifically, without limiting its general powers, the right to appear in and defend any action or proceeding purporting to affect the security hereof and the rights or powers of the Agent, and also the right to perform and discharge each and every obligation, covenant and agreement of the Trustee contained in the Seaboard Lease; and in exercising any such powers, the Agent may pay necessary costs and expenses, employ counsel and incur and pay reasonable attorneys' fees, and the Trustee will reimburse the Agent for such costs, expenses and fees; provided, however, that the obligations of the Trustee to make reimbursements under this Paragraph 3 are subject to the last paragraph of Article 4 of the CSAs.

4. Subject to the provisions of Paragraph 10 hereof, the Trustee does hereby constitute the Agent the Trustee's true and lawful attorney, irrevocably, with full power (in the name of the Trustee, or otherwise), to ask, require, demand, receive, compound and give acquittance for any and all Payments due and to become due under or arising out of the Seaboard Lease to which the Trustee is or may become entitled, to enforce compliance by the Seaboard Lessee with all the terms and provisions of the Seaboard Lease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings that the Agent may deem to be necessary or advisable in the premises.

5. Upon the full discharge and satisfaction of all the Trustee's obligations under the CSAs in respect of the Seaboard CSA Indebtedness, this Assignment, and all rights herein assigned to the Agent in respect thereof, shall terminate, and all estate, right, title and interest of the Agent in and to the Seaboard Lease shall revert to the Trustee without further act or deed, but the Agent shall execute and deliver such documents as the Trustee may reasonably request in order to confirm, or make clear upon public records, such termination and/or reversion.

6. The Trustee will, from time to time, do and perform any other act and will execute, acknowledge and deliver any and all further instruments required by law and reasonably

requested by the Agent in order to confirm or further assure the interests of the Agent hereunder.

7. The Agent may assign all or any of the rights assigned to it hereby or arising under the Seaboard Lease, including, without limitation, the right to receive any Payments due or to become due. The Agent will give written notice to the Trustee and the Seaboard Lessee of any such assignment.

8. This Assignment shall be governed by the laws of the State of New York, but the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303.

9. The Trustee shall cause copies of all notices received in connection with the Seaboard Lease and all payments hereunder to be promptly delivered or made to the Agent at its address set forth in Article 20 of the CSAs, or at such other address as the Agent shall designate.

10. The Agent hereby agrees with the Trustee that, so long as no event of default in respect of the Seaboard Lease, the Seaboard Lessee or the Seaboard CSA Indebtedness (as defined in the CSAs), or any event which with lapse of time or notice or both would constitute such an event of default, under the CSAs has occurred and is then continuing, the Agent will not exercise or enforce, or seek to exercise or enforce, or avail itself of, any of the rights, powers, privileges, authorizations or benefits assigned and transferred by the Trustee to the Agent by this Assignment, except the right to receive and apply the Payments as provided in Paragraph 1 hereof, and that, subject to the terms of the Seaboard Lease and the CSAs the Trustee may, so long as no such event of default under the CSAs has occurred and is then continuing, exercise or enforce, or seek to exercise or enforce, its rights, powers, privileges and remedies arising out of subparagraph (a) of the first paragraph of § 10 of the Seaboard Lease; provided, however, the Trustee shall not, without the prior written consent of the Agent, terminate the Seaboard Lease or otherwise exercise or enforce, or seek to exercise or enforce, any rights, powers, privileges and remedies arising out of subparagraph (b) of said § 10.

11. No recourse shall be had in respect of any obligation due under this Assignment, or referred to herein, against any incorporator, stockholder, director or officer, as such, past, present or future, of the Trustee, the Agent, the Investors or the Owner, whether by virtue of any constitutional provision, statute or rule of law or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common

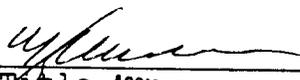
law, in equity, by any constitutional provision, statute or otherwise, of incorporators, stockholders, directors or officers, as such, being forever released as a condition of and as a consideration for the execution of this Assignment.

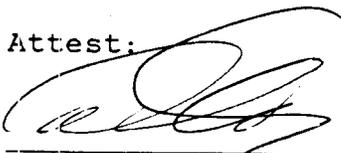
It is expressly agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, warranties and agreements herein made on the part of the Trustee are each and every one of them made and intended not as personal representations, warranties and agreements by the financial institution acting as Trustee hereunder or for the purpose or with the intention of binding said financial institution personally but are made and intended for the purpose of binding only the Trust Estate as that term is used in the Trust Agreement and this Assignment is executed and delivered by the Trustee solely in the exercise of the powers expressly conferred upon the Trustee under the Trust Agreement; and that no personal liability or responsibility is assumed by or shall at any time be asserted or enforceable against said financial institution or the Owner on account of any representation, warranty or agreement hereunder of said financial institution, acting in its capacity as Trustee or the Owner, either expressed or implied, all such personal liability, if any, being expressly waived and released by the Agent and by all persons claiming by, through or under the Agent; provided, however, that the Agent or any person claiming by, through or under the Agent, making claim hereunder, may look to the Trust Estate for satisfaction of the same.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed in their respective corporate names, by officers thereunto duly authorized, and their respective corporate seals to be affixed and duly attested, all as of the date first above written.

[Seal]

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

By: 
Title ASSISTANT VICE PRESIDENT

Attest: 
Title 

[Seal]

MERCANTILE-SAFE DEPOSIT AND TRUST
COMPANY, not in its individual
capacity, but solely as Agent.

By: 
Title, VICE PRESIDENT

Attest:


Title ASSISTANT CORPORATE TRUST OFFICER

STATE OF *Conn*)
COUNTY OF *Hartford* ss.:

On this *13th* day of November, 1984, before me personally appeared *V. Kreuscher*, to me personally known, who, being by me duly sworn, says that he is the ASSISTANT VICE PRESIDENT of

THE COMMERCIAL STATE AND TRUST CO.
, one of the corporations described in and which executed the foregoing instrument, that said instrument was signed 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.

Burt A. Emerson

Notary Public

[Notarial Seal]

My Commission Expires:

CERTIFICATION OF TRUE COPY

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

I, Stewart E. Tabin, a member of the Bar of the State of New York, do hereby certify that I have compared the attached copy of the document entitled "Assignment of Lease" with an executed original counterpart thereof and find the said attached copy to be in all respects a true, correct and complete copy of the aforesaid executed original counterpart.

IN WITNESS WHEREOF, the undersigned has hereunto affixed his signature this 14th day of November, 1984.

Stewart E. Tabin
Stewart E. Tabin

Subscribed and sworn to before me this 14th day of November, 1984.

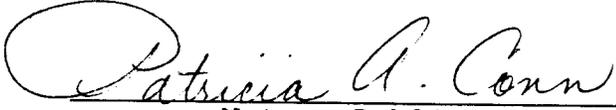
Theresa Sementilli
Notary Public

THERESA SEMENTILLI
Notary Public, State of New York
No. 41-4773862
Qualified in Queens County 86
Commission Expires March 30, 1986

STATE OF *Maryland*)
COUNTY OF *Baltimore*) SS.:

On this *14th* day of November, 1984, before me personally appeared **R. E. Schreiber**, to me personally known, who, being by me duly sworn, says that he is the **VICE PRESIDENT** of

MERCANTILE SAFE DEPOSIT AND TRUST COMPANY, one of the corporations described in and which executed the foregoing instrument, that said instrument was signed 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: *7-1-86*