

Soo Line Railroad Company



REGISTRATION NO. 11732 Filed 1980

APR 24 1980 2:05 PM

INTERSTATE COMMERCE COMMISSION

Soo Line Building  
Box 530  
Minneapolis, Minnesota 55440  
(612) 332-1261

CHARLES H. CLAY  
Executive Vice President

April 23, 1980

9-1059A015  
APR 28 1980  
Date  
Fee \$ 50.00  
ICC Washington, D.C.

Agatha L. Mergenovich  
Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

Dear Ms. Mergenovich:

There are transmitted to you herewith for recording under Section 11303 of the Interstate Commerce Act three executed counterparts of Lease of Railroad Equipment dated as of April 28, 1980.

Pursuant to Section 1116.1 et seq. of the Rules and Regulations adopted by the Commission, as amended, the following information is shown:

Lessor is Soo Line Equipment Company, 800 Soo Line Building, Minneapolis, Minnesota 55440.

Lessee is Soo Line Railroad Company, 800 Soo Line Building, Minneapolis, Minnesota 55440.

Guarantor is Soo Line Railroad Company, 800 Soo Line Building, Minneapolis, Minnesota 55440.

A general description of the equipment covered by the Lease of Railroad Equipment is as follows:

<u>No. of Units</u>	<u>Description</u>
4	3000 H.P. new SD 40-2 Model Locomotives. Soo Line road numbers 6602 to 6605, inclusive.
8	3000 H.P. Replacement SD 40-2 Model Locomotives. Soo Line road numbers 6606 to 6613, inclusive.
8	3000 H.P. Replacement GP 38-2 Model Locomotives. Soo Line road numbers 36 to 43, inclusive.

APR 28 2 00 PM '80

RECEIVED

*Chun Shupit - Deborah Dorf*

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

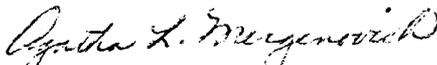
OFFICE OF THE SECRETARY

Charles H. Clay  
Soo Line Railroad Company  
Box 530-Soo Line Building  
Minneapolis, MN 55440

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 4/28/80 at 2:05PM, and assigned re-  
recording number(s) 11732

Sincerely yours,

  
Agatha L. Mergenovich  
Secretary

Enclosure(s)

RECORDATION NO. 11732  
APR 28 1980 2:05 PM  
INTERSTATE COMMERCE COMMISSION

LEASE OF RAILROAD EQUIPMENT

THIS AGREEMENT OF LEASE, made as of April 28, 1980, from SOO LINE EQUIPMENT COMPANY, a Minnesota corporation, having an office at 800 Soo Line Building, Minneapolis, Minnesota 55440 (hereinafter called "Equipment Company"), to SOO LINE RAILROAD COMPANY, a Minnesota corporation, having its general offices at Soo Line Building, Minneapolis, Minnesota 55440 (hereinafter called the "Railroad");

WITNESSETH:

WHEREAS, Equipment Company is the purchaser of twenty diesel electric locomotives described in Schedule A (hereinafter called the "Equipment") attached hereto and made a part hereof by reference; and

WHEREAS, the parties hereto desire that, upon acceptance from time to time by Equipment Company's agent and delivery to and acceptance by Railroad, such locomotives shall thereupon be placed under this Lease;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties hereto agree as follows:

(1) Equipment Company hereby leases to the Railroad and the Railroad hereby hires from Equipment Company, the Equipment for a term commencing from and after the respective dates of acceptance of the locomotives by Equipment Company's agent and Railroad's inspector and continuing to July 1, 1995, at the rental and upon the terms and conditions herein contained.

(2) Equipment Company will accept the Equipment from the builder and deliver the same to the Railroad on its

tracks at Schiller Park, Illinois, immediately following acceptance by its agent and Railroad's inspector. Acceptance of the Equipment by the Equipment Company's agent and delivery by Railroad to the Equipment Company of a Certificate of Acceptance signed by Railroad's inspector covering such Equipment, shall thereupon constitute acceptance by the Railroad of such units under this Lease.

(3) For the use of the Equipment or any portion thereof the Railroad shall pay to Equipment Company during the term of this Lease rental in the amounts at the times set forth on Schedule B attached hereto and made a part hereof by reference.

The Railroad shall have the privilege of prepaying at any time and from time to time without the payment of any premium, any or all of the aforesaid quarterly rental payments in their inverse order.

(4) The Railroad shall also pay to the proper Governmental authority any and all taxes, assessments, or Governmental charges or any other charge or expense of any character whatsoever that may be imposed upon or in respect of the Equipment by reason of or in connection with the Railroad's possession or use thereof under this Lease. It is understood, however, that the Railroad shall not be required to pay or discharge any such amount so long as it shall, in good faith and by appropriate legal proceedings, contest the validity thereof in any reasonable manner which will not affect or endanger the title and interest of the Equipment Company in and to the Equipment.

(5) At the termination of this Lease and after all

payments to be made by the Railroad under Section (3) above, and after all payments due or to become due hereunder from the Railroad to Equipment Company, the Railroad shall have an option to be exercised within 60 days thereafter to purchase the Equipment from Equipment Company, and in that event the rental payments made under this Lease shall be applied and treated as the full purchase price of the Equipment, and title thereto shall thereupon be duly conveyed by Equipment Company to the Railroad upon written notice by Railroad that it has exercised its option. It is expressly agreed that until such termination of this Lease, the Railroad shall not by virtue of this Lease or the possession and use of the Equipment hereunder acquire any title to or ownership of the Equipment, but such title and ownership shall remain solely in the Equipment Company.

(6) The Railroad will, during the term of this Lease, keep and maintain plainly and permanently on each side of each unit of Equipment markings in letters not less than one inch in height reading:

"SOO LINE EQUIPMENT COMPANY, OWNER-LESSOR"

and will replace immediately any such markings that may become defaced or illegible, wholly or in part. Such markings will be applied initially by Equipment Company prior to delivery of the Equipment to the Railroad under this Lease. For convenience of identification of the leasehold interest hereunder of the Railroad in the Equipment, the Equipment may be lettered "Soo Line", and bear the Railroad's emblem, or be lettered in some other appropriate manner.

(7) The Railroad, so long as it shall not be in default under this Lease, shall be entitled to the possession of the

Equipment and the use thereof upon the lines of Railroad owned or operated by it either alone or jointly with another and whether under lease or otherwise, or upon the lines of railroad owned or operated by any railroad company controlled by or controlling the Railroad, or over which the Railroad or any such railroad company has trackage rights, and shall also be entitled to the use of any of the Equipment upon connecting and other railroads in the interchange of traffic, from and after the delivery of the Equipment by the Equipment Company to the Railroad, but only upon and subject to all the terms and conditions of this Lease.

(8) During the term of this Lease, the Railroad will, at its own expense (a) comply with all laws and regulations of any State or Governmental authority respecting the manner of using or operating the Equipment, (b) maintain and keep the Equipment in good order and repair at all times, and (c) keep the Equipment free from any liens or encumbrances that might affect the Equipment Company's title. Any and all replacements of any parts of any units of the Equipment and all additions and betterments thereto shall constitute accessions to the Equipment and shall be and remain the property of the Equipment Company, and be subject to all the terms and conditions of this Lease.

(9) During the term of this Lease, the possession, use, operation, and maintenance of the Equipment shall be at the sole risk and expense of the Railroad and the Railroad shall assume and be solely responsible for, and shall indemnify and save harmless the Equipment Company from and against (a) any and all loss or damage, usual wear and tear excepted, of or

to the Equipment, and (b) any and all claims, demands, suits, judgments, or causes of action for or on account of injury to or death of persons, or loss of or damage to property, which may result from or grow in any manner out of the presence, use, or operation of the Equipment while in the possession of the Railroad under this Lease.

(10) In the event that any unit of Equipment shall be worn out, lost, destroyed, or irreparably damaged from any cause whatsoever prior to termination of this Lease thereon, the Railroad's obligation to pay to Equipment Company rental in the amounts and at the times set forth in Section (3) hereof shall not be affected.

(11) The Railroad shall not assign or transfer this Lease, or any of its rights or obligations hereunder, or transfer or sublet any of the Equipment, without the written consent of the Equipment Company first had and obtained.

(12) The Railroad covenants that in case at any time during the term of this Lease it shall fail or refuse to comply with any of its covenants or agreements herein contained, and shall continue in such failure or refusal for a period of thirty (30) days after written notice specifying such failure shall be given to it by Equipment Company, then Equipment Company shall have the right, at its election, by notice in writing given to the Railroad, to terminate this Lease, and all of the rights of the Railroad in respect to the Equipment shall forthwith cease; and Equipment Company shall be entitled without further demand or formality forthwith to take possession of the Equipment without prejudice to any rights or remedies Equipment Company may have for recovery of rental or breach

of covenant or otherwise; or Equipment Company may lease the Equipment to others on such terms and conditions and for such amount as shall seem best to it for the remainder of the term or any part thereof for the account of the Railroad, which shall make good any deficiency. Any waiver by Equipment Company of one or more defaults on the part of the Railroad shall not in any way impair the right of Equipment Company to take advantage of any other default of defaults of the Railroad.

(13) The Railroad shall, at its expense, upon execution and delivery of this Lease, cause this Lease and any Supplement thereof to be duly filed and recorded with the Interstate Commerce Commission and the Registrar General of Canada for the full protection of the Equipment Company's title to the Equipment. The Railroad will promptly deliver to the Equipment Company an opinion of the Railroad's counsel to the effect that (a) this Lease has been duly filed and recorded in compliance with the provisions of this Section (13) and (b) this Lease has been duly and validly authorized and executed by the Railroad and is a valid and binding agreement of the Railroad in accordance with its terms.

(14) The Railroad covenants that it will from time to time upon the request of Equipment Company execute and deliver such instruments, make such reports, give such information, and do or cause to be done, any and all such further acts and things as may be necessary or proper to carry out and make effective the purposes of this Lease.

(15) This Lease may be simultaneously executed in several counterparts, each of which, so executed, shall be deemed to be an original, and such counterparts together will

constitute but one and the same Lease, which will be sufficiently evidenced by any such original counterpart.

(16) This Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be duly executed as of the date first above written, at Minneapolis, Minnesota.

In the Presence of:

SOO LINE EQUIPMENT COMPANY

Susan G. Teisberg

By F. F. Wasieck  
President

Raymond G. [Signature]

Attest:

Donna [Signature]  
Secretary

(CORPORATE SEAL)

In the Presence of:

SOO LINE RAILROAD COMPANY

Susan G. Teisberg

By Charles H. [Signature]  
President

Raymond G. [Signature]

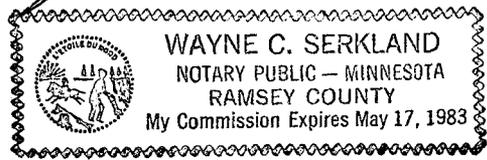
Attest:

Gene R. Holmes  
Secretary

(CORPORATE SEAL)

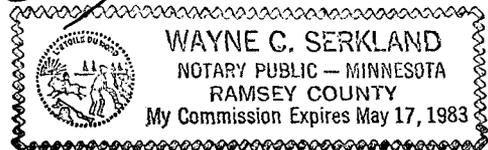
STATE OF MINNESOTA )  
                          ) SS  
COUNTY OF HENNEPIN )

On this 22<sup>nd</sup> day of April, 1980, before me personally appeared L.L. Wasnick, to me personally known, who being by me duly sworn, says that he is President of Soo Line Equipment Company, 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 that he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



STATE OF MINNESOTA )  
                          ) SS  
COUNTY OF HENNEPIN )

On this 22<sup>nd</sup> day of April, 1980, before me personally appeared Charles H. Clay, to me personally known, who being by me duly sworn, says that he is the Executive Vice President of Soo Line Railroad Company, 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.



SCHEDULE A

<u>No. of Units</u>	<u>Description</u>	<u>Price Per Unit</u>
4	3000 H.P. new SD 40-2 Model Locomotives, bearing Soo Line road numbers 6602 to 6605, inclusive.	\$693,640.90
8	3000 H.P. Replacement SD 40-2 Model Locomotives, bearing Soo Line road numbers 6606 to 6613, inclusive.	\$689,025.90
8	2000 H.P. Replacement GP 38-2 Model Locomotives, bearing Soo Line road numbers 36 to 43, inclusive.	\$558,623.40

SCHEDULE B

Payment Schedule

Sixty (60) equal quarterly payments in the amount of Two Hundred Twelve Thousand Five Hundred Ninety-Five and 97/100 Dollars (\$212,595.97), with the first payment to be made on October 1, 1980 and successive payments to be made on the first of every third month thereafter up to and including July 1, 1995, on which date the final payment shall be due.