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12897 Colonial Dr. • Mt. Airy, Md. 21771
301-253-6040

December 9, 1993

Ms. Mildred Lee
Recordations Unit
Interstate Commerce Commission
12th & Constitution Avenue, N.W.
Washington, D.C. 20423

0100062004
RECORDATION NO. 18506 FILED 1425
DEC 9 1993 9:45 AM
INTERSTATE COMMERCE COMMISSION

Dear Ms. Lee:

Enclosed is an Interim Lease Agreement dated 11/1/93 between the following parties:

Lessor: General Motors Corporation,
Electro-Motive Division
LaGrange, IL 60525

Lessee: Southern Pacific Transportation Co.
One Market Plaza
San Francisco, CA 94105

The equipment involved in this transaction includes:

25, GP60 Locomotives
SP 9770-9794

25, SD70M Locomotives
SP 9800-9824

Please record this agreement as a primary document. The filing fee of \$18 is enclosed. Thank you very much.

Sincerely,

Mary Ann Oster

Mary Ann Oster
Research Consultant

Enclosures

RECEIVED
OFFICE OF THE
SECRETARY
DEC 9 9 36 AM '93
LICENSING BRANCH

Accounting Mary Ann Oster

Interstate Commerce Commission
Washington, D.C. 20423

12/9/93

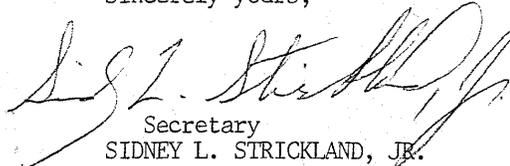
OFFICE OF THE SECRETARY

Mary A. Oster
Research Consultant
Oster Researching Services
12897 Colonial Dr.
Mt Airy, MD. 21771

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 **12/9/93** at **9:45am**, and assigned
recordation number(s). **18505**

Sincerely yours,


Secretary
SIDNEY L. STRICKLAND, JR.

Enclosure(s)

2/11/94

RECORDATION NO. 18506 FILED 1425

DEC 9 1993 -9 45 AM
INTERSTATE COMMERCE COMMISSION

INTERIM LEASE AGREEMENT

Dated as of November 1, 1993

Between

**GENERAL MOTORS CORPORATION
(ELECTRO-MOTIVE DIVISION)**

and

SOUTHERN PACIFIC TRANSPORTATION COMPANY

covering

Twenty Five GP60 and Twenty Five SD70M Locomotives

LEASE

THIS AGREEMENT, dated as of November 1, 1993, between GENERAL MOTORS CORPORATION (ELECTRO-MOTIVE DIVISION), a Delaware corporation ("Lessor"), and SOUTHERN PACIFIC TRANSPORTATION COMPANY, ("Lessee"), a Delaware corporation:

WITNESSETH:

WHEREAS, Lessor and Lessee entered into an agreement dated as of November 1, 1993 ("Purchase Agreement") incorporated herein and hereby made part hereof, pursuant to which Lessor has agreed to construct and sell to Lessee or to a third party designated by Lessee (a "Purchaser") and Lessee has agreed to purchase or arrange for the purchase of twenty-five (25) GP60 locomotives (having road numbers SP 9770 through and including SP 9794) and twenty-five (25) SD70M locomotives (having road numbers SP 9800 through and including SP 9824) (the "Locomotives"); and

WHEREAS, in furtherance of the Purchase Agreement, Lessee desires to have temporary custody, possession and use of the Locomotives, prior to payment therefor, as soon as each is available for delivery and the Lessor is willing to grant such temporary custody, possession and use to Lessee;

NOW, THEREFORE, in consideration of the premises, Lessor hereby delivers to Lessee and Lessee accepts from the Lessor the Locomotives as of the date each of them is delivered to Lessee at McCook, Illinois until payment in full is effected pursuant to the Purchase Agreement for all of the Locomotives upon the terms and conditions detailed below.

1. Upon delivery of each Locomotive to Lessee at McCook, Illinois in a condition satisfactory to Lessee, a Lessee representative shall execute a certificate of acceptance acknowledging the receipt thereof hereunder. Title to each Locomotive shall remain in the Lessor and Lessor's rights and interests therein are and shall be solely that of possession, custody and use as Lessee hereunder.

2. Transfer of title to the Locomotives to Lessee or a Purchaser and the termination of this Agreement shall be effected only upon payment in full of the purchase price thereof as stated in the Purchase Agreement (the "Purchase Price") together with any amounts due hereunder and delivery of bills of sale therefor (such bills of sale to be requested upon at least ten (10) days prior written notice by Lessee to Lessor of Lessee's intention to effect payment). Lessee shall pay or cause a Purchaser to pay to the Lessor the Purchase Price upon receipt of a bill of sale for each, pursuant to Paragraph 1 hereof at which time this Agreement will

terminate. Lessee shall do such acts as may be reasonably requested by Lessor, for the protection of its title to and interest in the Locomotives during the term of this Agreement, including, but not limited to assisting Lessor in connection with the filing of any documents with the Interstate Commerce Commission.

3. Until title is transferred pursuant to Paragraph 2 hereof, Lessee shall pay interim per diem rent for each Locomotive. Rent hereunder for each Locomotive beginning on the date a certificate of acceptance is issued therefor shall be: (a) an amount equal to the product of the Purchase Price thereof multiplied by the Prime Rate of Interest published in the Wall Street Journal plus 1-3/8% for each day divided by 365 for the period ending on the 210th day after the delivery to SP of the last Locomotive under the Purchase Agreement; (b) \$400 per day for each GP60 Locomotive and \$500 per day for each SD70M Locomotive for each day during the period beginning with the 211th day after the delivery to SP of the last Locomotive under the Purchase Agreement and ending 30 days thereafter (unless otherwise mutually agreed by the parties in writing); and (c) \$600 per day for each GP60 Locomotive and \$700 per day for each SD70M Locomotive for each day during the period commencing on the 241st day after the delivery to SP of the last Locomotive under the Purchase Agreement.

Rent shall be due and payable by Lessee to Lessor on the later of: (i) the last day of the period set forth in subsections (a) and (b) and every thirtieth day during the period set forth in subsection (c) (commencing on the 270th day) for rental during each of such respective periods and (ii) 30 days following receipt by Lessee of an invoice from Lessor for any such payment.

Payment shall be made to Lessor at the location and in the manner set forth in the Purchase Agreement for payment of the Purchase Price.

Lessee shall not be entitled to any reduction of rent, abatement, setoff, counterclaim, recoupment or defense against rent or any other amount payable hereunder for any reason whatsoever, including, but not limited to, reductions, setoffs, counterclaims, recoupments or defenses due or alleged to be due by reason of any past, present or future claims of Lessee against Lessor or any other person for any reason whatsoever, except as otherwise provided herein.

4. Lessee agrees that it will (a) use and permit third parties to use the Locomotives only in the continental United States, (b) permit no liens of any kind to remain attached to any Locomotive and (c) indemnify and save harmless the Lessor from any and all losses, claims, expenses or liabilities of whatsoever kind,

including but not limited to reasonable counsel fees and expenses and any liability for personal injury or property damage and any and all fines, charges and penalties that may accrue or be assessed or imposed upon the Locomotives or the Lessor solely as a result of the Lessor's ownership or because of the use, operation, management or handling of any Locomotive by Lessee during the term of this Agreement (except those that result directly from the income of Lessor); provided, however, Lessee shall not be required to indemnify Lessor or hold Lessor harmless pursuant to this Section 4 for any fees or taxes including interest or penalties thereon, to an extent beyond that required under Section 7 of the Purchase Agreement, Lessee's entire obligation with respect to fees and taxes including interest and penalties thereon being fully set forth in such Section 7 of the Purchase Agreement. Notwithstanding the above, Lessee shall not be required to indemnify Lessor for any claims, expenses, or liabilities resulting from Lessor's negligence or willful acts or resulting from obligations of Lessor to Lessee pursuant to the Purchase Agreement or other maintenance or overhaul agreements between the parties involving such Locomotives. Lessee's obligations under this Paragraph shall survive the termination of this Agreement.

5. Except to the extent of Lessor's obligations pursuant to the Purchase Agreement, or other applicable Locomotive maintenance or overhaul agreements between the parties, Lessee will, at its own expense, subject to the warranty maintenance and overhaul provisions of the Purchase Agreement, keep and maintain each Locomotive and the markings thereon at the time of delivery hereunder in good order and running condition and shall, at its option, replace or repair any component or part of any Locomotive damaged or destroyed by any cause during the term hereof or promptly pay to the Lessor the Purchase Price of any Locomotive which may in the opinion of Lessor be damaged beyond economic repair by any cause during the term hereof.

6. In the event Lessee or a Purchaser fails to pay the Purchase Price or any rent due hereunder within ten days after such rent becomes due and payable, then Lessor (a) may declare all sums due and to become due hereunder immediately due and payable and (b) may either (i) by its agents, enter upon the premises of Lessee and take possession of all or any such Locomotives as may be present or (ii) demand that Lessee deliver all or any of the Locomotives forthwith to Lessor at Lessee's expense to such place as Lessor may designate on Lessee's lines; and in either such instance, Lessor shall thenceforth hold and possess same free from any right of Lessee, or its successors or assigns, to use the Locomotives for any purposes whatsoever. Lessor may thereafter sell and deliver the Locomotives to others upon such terms as Lessor, at its sole discretion may determine it being understood and agreed that Lessee shall be liable to Lessor for the amount by which the price paid by such other parties is less than the sum of the Purchase Price,

interim rent due hereunder and all reasonable expense incident to such sale, including but not limited to the cost of obtaining the Locomotives, providing for their safekeeping, and selling them; provided, however, Lessee shall not be liable to Lessor for any taxes arising as a result of such sale. Lessee shall pay all such amounts upon demand by Lessor.

7. Lessee represents and warrants that:

a. The execution and delivery of this agreement is (i) within its corporate authority, (ii) authorized by all necessary proper corporate proceeding and (iii) consistent with its charter and by-laws;

b. The rights of Lessor as herein set forth and the title of Lessor to the Locomotives are senior to the lien of any mortgage, security agreement or other instrument binding upon Lessee;

8. Lessor represents and warrants that:

a. The execution and delivery of this agreement is (i) within its corporate authority, (ii) authorized by all necessary proper corporate proceeding and (iii) consistent with its charter and by-laws;

b. So long as Lessee complies with the terms and provisions of this interim lease, Lessee shall be entitled to the use and possession of the Locomotives according to the terms of this interim lease without interference by the Lessor or by any party lawfully claiming by or through the Lessor.

9. Protection of EMD's Title. EMD may, at its option, file this interim lease with the Interstate Commerce Commission and elsewhere to protect EMD's title to the Locomotives during the interim lease term. SP will, from time to time, execute, acknowledge and deliver to EMD any and all further instruments reasonably requested by EMD, for the purpose of protecting EMD's title to the Locomotives.

10. Performance Obligations. In the event that either party shall fail duly and promptly to perform any of its obligations hereunder, the other party may, at its option, perform same for the account of the failing party without thereby waiving such default. Any amount paid or expense (including reasonable attorneys' fees) incurred by the performing party in such performance, together with interest at the lesser of one and five-tenths per cent (1.5%) per month or the highest amount allowed by law thereon until paid, shall be payable by the failing party upon demand as an additional payment hereunder.

11. Notices. Notices in connection with this Agreement shall be in writing, effective upon receipt and delivered either in person or by certified mail, return receipt requested. Such notices shall be addressed as follows:

To Lessee at:

Southern Pacific Building
One Market Plaza
San Francisco, CA 94105
Attn: Treasurer

and

Southern Pacific Bldg.
One Market Plaza
San Francisco, CA 94105
Attn: V.P. & General Counsel

To Lessor at:

Electro-Motive Division
LaGrange, Illinois 60525
Attn: Comptroller

12. Non-Waiver. No failure by Lessor to exercise and no delay by Lessor in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege by Lessor preclude any other or further exercise thereof, or the exercise of any other right, power or privilege.

13. Governing Law. This agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

Attest:

SOUTHERN PACIFIC TRANSPORTATION
COMPANY

By: 

SECRETARY

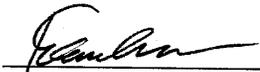
By: 

VICE PRESIDENT

Attest:

GENERAL MOTORS CORPORATION
ELECTRO-MOTIVE DIVISION

By: 

By: 

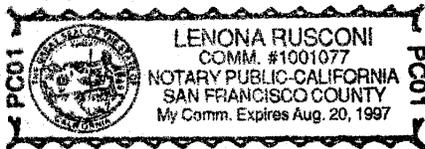
ASSISTANT SECRETARY

State of California)
)
County of San Francisco)

On December 1, 1993, before me, Lenona Rusconi, Notary Public, personally appeared Kent Sterett, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Lenona Rusconi

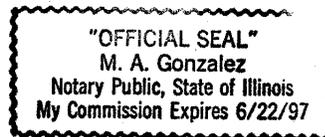


State of Illinois)
County of Cook) ss.

On this 1st day of December, 1993, before me personally appeared Keith A. McCanless, to me personally known, who, being by me duly sworn, did say that he is a Assistant Secretary of Electro-Motive Division, General Motors Corporation, that the instrument was signed on behalf of such corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of such corporation.

M. A. Gonzalez
Notary Public

My commission expires:



State of _____)
County of _____) ss.

On this _____ day of _____, 19____, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is a _____ of _____, that the instrument was signed on behalf of such corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of such corporation.

Notary Public

My commission expires:
