

MICHAEL DOWNEY RICE

515 Main Street
Old Saybrook
Connecticut 06475

January 26, 1994

RECORDATION NO. 18685 FILED 1425

Interstate Commerce Commission
Washington, D.C. 20423
Attention of Secretary

FEB -1 1994-2 45 PM

INTERSTATE COMMERCE COMMISSION

Dear Sirs:

I enclose original counterparts of the document described below to be recorded pursuant to section 11303 of title 49 of the United States Code.

This document is an equipment lease dated as of January 1, 1994, a primary document.

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

Lessee:
Burlington Northern Railroad Company
3200 Continental Plaza
777 Main Street
Fort Worth, Texas 76102

Owner, Lessor:
General Electric Capital Corporation
1600 Summer Street
Stamford, Connecticut 06927-4000

The equipment covered by the document consists of ten General Electric model C30-7 diesel-electric locomotives, bearing the marks HLCX and the numbers 5500 through 5509.

A fee of \$18 is enclosed. Please return all counterparts not needed by the Commission for recordation, stamped to show recordation, to

Michael Downey Rice
515 Main Street
Old Saybrook, Connecticut 06475

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

Equipment Lease dated as of January 1, 1994, between Burlington Northern Railroad Company, lessee, and General Electric Capital Corporation, owner and lessor, covering ten General Electric model C30-7 diesel-electric locomotives, bearing the marks HLCX and the numbers 5500 through 5509.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Michael R. King".

RECORDATION NO. 18685 FILED 1425

FEB -1 1994 -2 45 PM

INTERSTATE COMMERCE COMMISSION

EQUIPMENT LEASE dated as of January 1, 1994, between BURLINGTON NORTHERN RAILROAD COMPANY, a Delaware corporation (hereinafter called the **Lessee**), and GENERAL ELECTRIC CAPITAL CORPORATION, a New York corporation (hereinafter called the **Owner**).

SECTION ONE--COMMITMENT TO LEASE

1.1 Lease. The Owner agrees to lease to the Lessee and the Lessee agrees to lease from the Owner ten General Electric model C30-7 diesel-electric locomotives, bearing the marks HLCX and the numbers 5500 through 5509, all in accordance with the terms and conditions hereof.

1.2 Acceptance. The Owner shall deliver or cause to be delivered each of the said locomotives to the Lessee at the interchange point of the Southern Pacific Transportation Company and the Lessee nearest the location at which such locomotive was inspected by the Lessee, on or before February 1, 1994.

Upon acceptance by the Lessee by execution and delivery of a certificate of acceptance substantially in the form of Exhibit A hereto in respect of any locomotive, such locomotive shall be subject to the terms of this lease.

The Owner hereby appoints the Lessee its agent to assert and enforce any rights the Owner may have against the vendors or manufacturers of the locomotives and the component parts thereof.

SECTION TWO--REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of the Lessee. The Lessee represents and warrants that:

(a) the Lessee is a corporation duly incorporated, validly existing, and in good standing under the laws of the State of Delaware, and has the corporate power and authority to hold property under lease and to enter into and perform its obligations under this agreement;

(b) this lease has been duly authorized, executed, and delivered by the Lessee and is a legal, valid, and binding obligation of the Lessee, enforceable against the Lessee in accordance with its terms; and

(c) the execution, delivery and performance by the Lessee of this lease are not inconsistent with or in violation of the Lessee's certificate of incorporation or by-laws, any law, governmental rule or regulation, judgment or order applicable to the Lessee, or any indenture, mortgage, contract or other instrument to which the Lessee is a party or by which it is bound,

and do not require the consent, approval or other action by any federal, state, or local governmental body.

2.2 Representations and Warranties of the Owner. The Owner represents and warrants that it is a corporation duly organized, validly existing, and in good standing under the laws of the State of New York, that it is the owner of the locomotives to be leased hereunder and has the right to lease the same as contemplated hereby, and that this lease has been duly authorized, executed, and delivered by the Owner and is a legal, valid, and binding obligation of the Owner.

Except as set forth above, THE OWNER DISCLAIMS ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE LOCOMOTIVES LEASED HEREUNDER, WHETHER EXPRESSED OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

SECTION THREE--TERM AND RENT

3.1 Term. The term of this lease with respect to each locomotive leased hereunder shall commence on the date of delivery and acceptance thereof, and shall expire on December 31, 1994.

This lease cannot be canceled or terminated except as specifically provided herein.

3.2 Rent. The Lessee shall pay to the Owner, as rent for each locomotive, on the last business day of each month, commencing January, 1994, and ending in December, 1994, the amounts specified in the rent supplement hereto executed by the parties hereto, with respect to the period ending on, and including, the last day of such month. Such amounts shall be paid in immediately available funds by wire transfer to the account of the Owner at

Bankers Trust Company
New York, New York
ABA No. 0210-0103-3
GECC/T&I Depository Account No. 50-205-776.

Any amounts of rent and other payments due hereunder, including amounts payable in respect of loss or default hereunder, not paid when due shall bear interest for the period of time during which they are overdue at the rate of ten per cent per annum.

This lease is a net lease, and the obligation of the Lessee to make the payments of rent and other amounts specified herein is absolute and unconditional and not subject to reduction or set-off for any reason whatsoever.

SECTION FOUR--COVENANTS

4.1 Maintenance and Use. The Lessee shall maintain the locomotives leased hereunder in the same condition as delivered at the commencement hereof, ordinary wear and tear excepted, and shall use and maintain the leased locomotives in compliance with all laws, regulations, and orders of governmental authorities having jurisdiction over the leased locomotives. Any parts installed on the leased locomotives in the course of such maintenance and compliance and improvements thereto (except improvements that can be removed without material damage to the leased locomotives) shall be the property of the Owner.

The Lessee shall maintain and preserve the serial numbers and road numbers on the leased locomotives, and shall install and maintain on the leased locomotives any ownership markings requested by or supplied by the Owner. The Lessee shall not change the road numbers of the leased locomotives unless, prior to such change, it shall have prepared a statement of new numbers, showing the existing and new numbers for each such locomotive, delivered the same to the Owner, and recorded the same in every public office where this lease has been recorded.

THE LESSEE SHALL NOT SELL, TRANSFER, ASSIGN, SUBLEASE, OR OTHERWISE PART WITH POSSESSION OF THE LEASED LOCOMOTIVES, except that the Lessee may permit the use of the locomotives by railroad companies organized and existing in the United States of America in run-through service in the ordinary course of the Lessee's business.

The Lessee shall not use or permit the use of any leased locomotive outside of the United States of America unless the rights of the Owner have been protected, to its satisfaction, by recordation in appropriate public offices in any foreign jurisdiction in which such leased locomotive shall be used.

The Lessee shall not suffer or permit to exist any claim against or security interest in the leased locomotives.

The Owner, by its agents, shall have the right to inspect the leased locomotives and the records of the Lessee with respect thereto at any reasonable time.

4.2 Return. Upon the expiry of the term of this lease (unless the Lessee or its assignee shall have exercised the purchase option set forth in Section Seven hereof), the Lessee shall provide storage for the leased locomotives for a period of not less than ninety days, shall permit inspection by the Owner or parties designated by the Owner, and shall deliver the locomotives to an interchange point for shipment by connecting carriers, at the direction of the Owner. If any locomotive leased hereunder shall not be delivered to storage or connecting carriers as aforesaid, or shall not be in the condition required to be maintained hereunder, the rent specified herein and in the rent supplement hereto shall continue until such delivery or restoration to such condition.

4.3 Loss. The Lessee bears the risk of loss of the leased locomotives. If any of the leased locomotives shall be lost, stolen, destroyed, damaged beyond repair, or rendered permanently unfit for use, the Lessee shall immediately notify the Owner and shall, on the next date for the payment of rent with respect to such locomotive, pay to the Owner all rents and other amounts due the Owner to such date plus the amount specified for such date in the stipulated loss value table included in the rent supplement hereto. Upon such payment, such locomotive shall be no longer subject to the lease, the rent in respect thereof shall be abated, and the Lessee shall be entitled to retain possession of the hulk.

4.4 Insurance. Until the leased locomotives shall have been returned to the Owner (or the Lessee or its assignee shall have exercised the purchase option set forth in Section Seven hereof), the Lessee shall obtain and maintain insurance against loss of or damage to the leased locomotives, and public liability and property damage insurance, in such amounts, and against such risks, as the Lessee customarily carries with respect to other locomotives owned or operated by the Lessee.

4.5 Quiet Possession. If and so long as the Lessee shall have performed its obligations hereunder when due, the Lessee shall be entitled to quiet possession of the locomotives leased hereunder, without interference by any party claiming from, through, or under the Owner.

SECTION FIVE--INDEMNITIES

5.1 General Indemnity. The Lessee shall indemnify and defend and hold harmless the Owner and its agents and assigns from any and all claims, damages, costs, losses, and liabilities caused by any act or the neglect of the Lessee or arising out of or relating to the leased locomotives and the ownership, possession, operation, and use thereof, except, however, any of the foregoing that (a) are claims against ownership of the leased locomotives arising prior to the acceptance by the Lessee hereunder or arising at any time through the Owner, (b) arise out of the breach of any warranty or representation made herein by the Owner, or (c) arise out of the gross negligence or willful misconduct of any party seeking indemnity.

To the extent of the indemnity provided by the Lessee hereunder, the Owner hereby assigns to the Lessee its rights to enforce against any previous lessee, user, bailee, vendor, or repair contractor of the locomotives leased hereunder or its components any indemnity or warranty in respect thereof.

5.2 Taxes. The Lessee shall pay directly or reimburse the Owner for any and all sales, use, property, excise, and other taxes and similar impositions imposed by any governmental body upon this lease, the leased locomotives, the purchase, leasing, ownership, and use thereof, and

the rent and other payments payable hereunder, except taxes measured by the net income of the Owner.

SECTION SIX--DEFAULT

6.1 Default. If the Lessee shall

(a) fail to make any rent or other payment required hereunder when the same shall become due and such failure continues for a period of five days;

(b) fail to perform any other obligation hereunder and such failure continues for a period of thirty days after notice by the Owner;

(c) attempt to remove, sell, part with possession, transfer, sublet or encumber any of the leased locomotives;

(d) make a material misstatement or misrepresentation herein or in any document supplied in connection herewith; or

(e) be generally not paying its debts when they become due, become insolvent, come under the protection of any law relating to bankruptcy or insolvency or otherwise affecting creditors' or lessors' rights, propose any dissolution, liquidation, reorganization, recapitalization or other winding-up of corporate affairs, propose any arrangement, composition, or assignment for the benefit of creditors, or come under the control of a receiver, trustee, custodian, or person with similar powers; then the Owner may (i) proceed by court action to enforce performance by the Lessee of the applicable provisions of this lease, and (ii) by notice in writing terminate this lease.

If the Owner shall have terminated this lease pursuant to the preceding sentence, all rights of the Lessee to the use and possession of the leased locomotives shall immediately cease and terminate, but the Lessee shall remain liable as herein provided. The Lessee, if so requested by the Owner, shall promptly return the leased locomotives to the Owner in the manner contemplated by section 4.2 hereof or the Owner may, by its agents, enter the premises where the leased locomotives are located and take possession of and remove the same. The obligation of the Lessee to return the leased locomotives to the possession of the Owner is of the essence of this lease, and the Owner shall be entitled to a judgment conferring upon the Owner the immediate right to such possession and a decree of specific performance requiring the return of the leased locomotives.

6.2 Damages. The Lessee shall be liable for all damages, costs, and expenses, including attorneys' fees and disbursements, incurred by the Owner because of the default by the Lessee of its obligations hereunder, the occurrence of any other event set forth in section 6.1 hereof, and

the exercise of the Owner's rights with respect thereto. Upon termination of this lease pursuant to section 6.1 hereof, the Lessee shall pay to the Owner without further demand an amount equal to

(a) the accrued and unpaid rent and other payments due hereunder to the date the leased locomotives are returned to the Owner,

(b) the amount payable to the Owner upon loss of the leased locomotives pursuant to section 4.3 hereof (subject to the setoff specified below),

(c) interest on any payments not paid when due to the date so paid, at the rate specified for overdue payments in section 3.2 hereof,

(d) any damages and expenses that the Owner shall have sustained because of the occurrence of any event described in section 6.1 hereof, other than the non-payment of rent, and

(e) the expenses incurred by the Owner in the enforcement of its rights and remedies hereunder.

The Owner may retain the use of any of the leased locomotives after return by the Lessee, or with or without recovering possession thereof may sell or lease any of the leased locomotives in a commercially reasonable manner. If any of the leased locomotives shall be sold or leased, the Lessee will be entitled, in mitigation of the damages specified in clause (b) of the second sentence of this section 6.2 in respect of such locomotive, to a credit against such damages (not to exceed the same) equal to the net proceeds of such sale or the net present value of the rents under any new lease (discounted at the rate such new lessee could borrow funds on a secured basis for a term equal the term of such new lease), as the case may be, after deduction from such proceeds or present value all costs and expenses incurred by the Owner in exercise of its remedies hereunder. If the Owner shall elect to retain any of the leased locomotives, the Lessee will be entitled, in mitigation of the damages specified in said clause (b), to a credit against such damages (not to exceed the same) equal to the then fair market value of such locomotive.

6.3 Remedies not Exclusive; Waiver. The remedies referred to herein are not exclusive but are cumulative and are in addition to any other remedy available to the Owner. Any express or implied waiver by the Owner of any default by the Lessee, or any failure of or delay by the Owner in asserting rights or remedies hereunder in respect of any default, shall not be construed as a waiver of any such rights or remedies with respect to such default or any subsequent default.

SECTION SEVEN--OPTIONS

7.1 Purchase Option. Unless an event specified in section 6.1 hereof shall have occurred and shall be continuing, the Lessee may purchase not less than all of the locomotives then subject hereto, on any date for the payment of rent hereunder or at the end of the term hereof, for a purchase price for each such locomotive equal to the stipulated loss value specified in the rent supplement hereto for such date, in addition to the rent due on such date. The Lessee shall provide notice of any intended exercise of this option

(a) in the case of exercise of this option on or prior to September 30, 1994, on or before the date of such intended exercise of this option, and

(b) in the case of exercise of this option after September 30, 1994, on or before September 30, 1994.

Upon payment of such amount and satisfaction of all obligations of the Lessee hereunder then due, this lease will terminate, and the Owner will convey to the Lessee or its designee the locomotives so purchased as is, where is, with no warranties except as to freedom from liens arising from, through, or under the Owner.

SECTION EIGHT-MISCELLANEOUS

8.1 Method of Notice. All notices shall be in writing and shall be effective when delivered or the next day after deposit in the United States mail, postage prepaid for overnight delivery, to the address set forth below:

(a) if to the Owner, at 1600 Summer Street, Stamford, Connecticut 06927-4000, attention of Manager--Operations, and

(b) if to the Lessee, at 3200 Continental Plaza, 777 Main Street, Fort Worth, Texas 76102, attention of Senior Vice President and Treasurer, or such other address as either party shall furnish by notice.

8.2 Indemnities to Survive. The provisions of Section Five shall survive the expiration of the term of this lease.

8.3 Compensation for Owner's Performance. The Owner may perform any obligation that Lessee fails to perform with respect to any of the leased locomotives, and the Lessee shall compensate the Owner for the cost thereof, with interest at the rate set forth in section 3.2 hereof for overdue payments of rent.

8.4 Hypothecation. This lease shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto. WITHOUT THE CONSENT OF THE OWNER, THE LESSEE SHALL NOT SELL, TRANSFER, OR ASSIGN ANY OF THE LEASED

LOCOMOTIVES OR ITS RIGHTS THEREIN HEREUNDER, but this shall not prohibit (a) any use of any locomotive permitted by section 4.1 hereof, or (b) the assignment of this lease by the Lessee to any railroad company that shall succeed the Lessee or acquire substantially all of its assets, if such successor or acquiring railroad company assumes all of the obligations of the Lessee hereunder.

If the Owner assigns this lease and the Owner or such assignee (or successor assignee) so notifies the Lessee, to the extent of such assignment (a) all rights of the Owner hereunder shall be exercisable by such assignee; (b) the rights of such assignee shall not be subject to any defense, counterclaim, or set-off that the Lessee may have or assert against the Owner; and (c) such assignee shall not be or become liable for any obligation of the Owner.

8.5 Amendments. The terms of this lease shall not be amended, waived, or modified except by a written instrument executed by the Lessee and the Owner.

8.6 Entire Agreement. This lease and the other documents referred to herein and therein constitute the entire expression of the agreement of the parties hereto, superseding all prior agreements regarding the matters contemplated hereby.

8.7 Law Governing. This lease shall be governed by the law of the State of Connecticut, but the parties hereto shall be entitled to the rights and benefits of Section 11303 of Title 49 of the United States Code.

8.8 Documents of Further Assurance. This lease or any evidence hereof may be filed in any public office in order to preserve, protect, and perfect the rights of the Owner and any assignee of the Owner in and to the leased locomotives and the obligations of the Lessee hereunder. The Lessee shall execute and deliver to the Owner such memoranda, financing statements, continuation statements, other appropriate evidence hereof, and other documents of further assurance, and shall take such other action as the Owner shall request in order to carry out effectively the intent and purpose of this Lease.

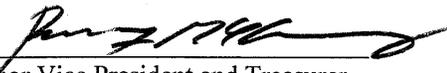
8.9 Recourse. This agreement is a corporate obligation, and no recourse shall be had against any stockholder, officer, or director of the parties hereto.

8.10 Invalidity of Provisions. Any provision of this lease that is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such unenforceability and shall not invalidate the remaining provisions hereof.

8.11 Counterparts. This lease may be executed in any number of counterparts and by the different parties hereto on separate counterparts, all of which together shall constitute a single agreement.

8.12 Effectiveness. This lease has been dated the date first above written for convenience of reference, but shall be effective on the date of the last execution hereof, as evidenced by the notary's acknowledgment with respect thereto.

BURLINGTON NORTHERN RAILROAD COMPANY

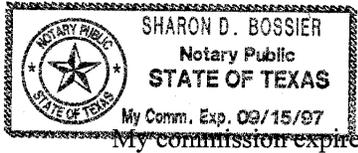
by 
Senior Vice President and Treasurer

GENERAL ELECTRIC CAPITAL CORPORATION

by 
Manager--Operations

STATE OF TEXAS)
) SS.:
COUNTY OF *Tarrant*)

On this *20* day of January, 1994, before me personally appeared Robert F. McKenney, to me personally known, who, by me being duly sworn, says that he is Senior Vice President and Treasurer of Burlington Northern Railroad Company, that the foregoing instrument was signed and on behalf of said company 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 company.



My commission expires

Sharon D. Bossier
Notary Public

STATE OF CONNECTICUT)
) SS.:
COUNTY OF FAIRFIELD)

On this *12th* day of January, 1994, before me personally appeared D. L. Eakin, to me personally known, who, by me being duly sworn, says that he is Manager--Operations of General Electric Capital Corporation, that the foregoing 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.

Kari L. Conti
Notary Public

My commission expires

KARI L. CONTI
NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31, 1995

EXHIBIT A

CERTIFICATE OF ACCEPTANCE

BURLINGTON NORTHERN RAILROAD COMPANY, the lessee under that certain Equipment Lease dated as of January 1, 1994, with General Electric Capital Corporation, does hereby accept the following locomotives for all purposes of said equipment lease, on the date set forth below:

<u>Quantity</u>	<u>Description</u>	<u>Road Numbers</u>	<u>Date</u>
	General Electric model C30-7		

BURLINGTON NORTHERN RAILROAD COMPANY

by _____
Title: