

OSTER

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17622
REGISTRATION NO. _____ FILED 1253

DEC 11 1991 - 9 53 AM
INTERSTATE COMMERCE COMMISSION

December 11, 1991

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

Dear Ms. Lee:

Please find enclosed a Lease Agreement dated September 10, 1991,
between the following parties:

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

Lessee: Southern Pacific Transportation Co.
San Francisco, CA

The equipment involved in this transaction is listed on
Schedule A-4 to the lease.

Please file this agreement as a primary document. The filing
fee of \$16 is enclosed. Thank you for your assistance.

Sincerely,

Mary Ann Oster

Mary Ann Oster
Research Consultant

Enclosures

DEC 11 9 43 AM '91
MOTOR OPERATING UNIT

Mary Ann Oster

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17622
REGISTRATION NO. _____ FILED 12/11/91

DEC 11 1991 9 55 AM
INTERSTATE COMMERCE COMMISSION

LEASE AGREEMENT

THIS AGREEMENT made as of this 10th day of September, 1991 by and between SOUTHERN PACIFIC TRANSPORTATION COMPANY, a Delaware corporation, herein called "Lessee" and GENERAL MOTORS CORPORATION (Electro-Motive Division), a Delaware corporation, herein called "Lessor".

The parties hereto agree as follows:

1. Except as specifically amended below, the terms of the Lease Agreement dated as of June 9, 1989, by and between Lessee and Lessor ("1989 Agreement") attached hereto and incorporated herein are adopted as the terms of this Agreement.

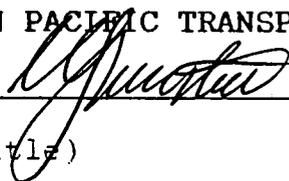
(This Agreement is not intended to affect in any manner the validity or any terms of the 1989 Agreement which shall remain in effect between the parties in accordance with its terms and without modifications hereby.)
2. Schedule A of the 1989 Agreement shall be stricken and the attached Schedule A-4 is inserted in its place. All references in the 1989 Agreement to "Schedule A" shall be deemed to mean "Schedule A-4".
3. Schedule B of the 1989 Agreement is stricken and the attached Schedule B-4 is inserted in its place. All references in the 1989 Agreement to "Schedule B" shall be deemed to mean "Schedule B-4".

4. Exhibit A to the 1989 Agreement is stricken and the attached Exhibit A-4 is inserted in its place. All references in the 1989 Agreement to "Exhibit A" shall be deemed to mean "Exhibit A-4".
5. The number "\$375,000" in the thirty-second line of Section 6 in the 1989 Agreement is stricken and the number "\$350,000" is inserted in its place.
6. Exhibit C to the 1989 Agreement and all references thereto are stricken.
7. The number "\$425" in the eleventh and twelfth lines of Section 2 of the 1989 Agreement is stricken and the words "the amount set forth as applicable to the specified Locomotives as listed in Schedule A-4" are inserted in its place.
8. The following sentence is added at the end of Section 10:

"Notwithstanding the above, a Locomotive may operate in Canada if Lessee makes all filings with all Canadian national government provincial and local governmental entities necessary to protect Lessor's ownership interest in the Locomotives and agrees to take no action to jeopardize Lessor's ownership interest and further agrees to indemnify Lessor against any increased cost, expense, liability, or claim, including taxes, that arises because of the use of the Locomotive in Canada."
9. The number "\$600" in the fourth line of Section 16 is stricken and the number "\$550" is inserted in its place.

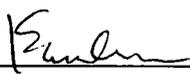
IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed the day and the year first herein written.

SOUTHERN PACIFIC TRANSPORTATION COMPANY

By: 

(Title)

GENERAL MOTORS CORPORATION
(ELECTRO-MOTIVE DIVISION)

By: 

(Title) ASSISTANT SECRETARY.

| <u>SCHEDULE A-4</u> | | |
|---------------------|---------------|---------------------|
| <u>Model</u> | <u>Road #</u> | <u>Rate per day</u> |
| GP38-2 | 740 | \$250.00 |
| " | 749 | " |
| " | 766 | " |
| " | 773 | " |
| " | 774 | " |
| " | 789 | " |
| " | 795 | " |
| " | 801 | " |
| " | 817 | " |
| " | 825 | " |
| " | 830 | " |
| " | 831 | " |
| " | 836 | " |
| " | 837 | " |
| " | 839 | " |
| " | 744 | \$265.00 |
| " | 750 | " |
| " | 751 | " |
| " | 754 | " |
| " | 755 | " |
| " | 765 | " |
| " | 768 | " |
| " | 769 | " |
| " | 772 | " |
| " | 777 | " |
| " | 784 | " |
| " | 788 | " |
| " | 794 | " |
| " | 796 | " |
| " | 803 | " |
| " | 814 | " |
| " | 821 | " |
| " | 829 | " |
| " | 832 | " |
| " | 835 | " |

SCHEDULE B-4

LEASE TERM AND OPTION TO RENEW

LEASE TERM:

Delivery to Southern Pacific Transportation Company pursuant to Section 2 of the Lease Agreement shall be the date upon which each unit is accepted by the Lessee.

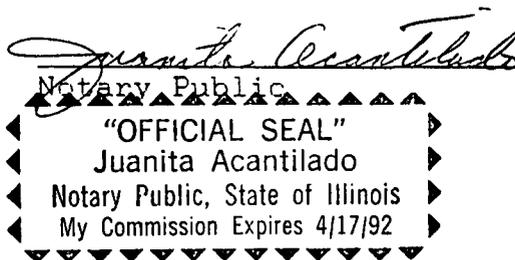
At the time of acceptance, the Lessee will execute a "Delivery and Acceptance Certificate", Schedule C. The Locomotive lease term will be for a minimum of thirty (30) days from the acceptance date of each Locomotive.

OPTION TO RENEW:

Prior to the scheduled termination of this Lease Agreement or any applicable extension thereof, Lessee may exercise an option to renew the Lease Agreement for an additional ninety (90) day period at the then fair market rental value. If Lessor and Lessee have not reached agreement as to the fair market rental value of the Locomotives prior to expiration of the Lease Agreement or applicable extension thereof, this option to renew, and any additional options to renew shall expire.

State of Illinois)
County of Cook)

On this 3rd day of October, 1991, before me personally appeared Keith McEmlress, 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.



My commission expires:
April 17, 1992

State of California)
County of San Francisco)

On this 3rd day of October, 1991, before me personally appeared C.T. Shurstad, to me personally known, who, being by me duly sworn, did say that he is ~~X~~ Vice President - Intermodal - Chief Transportation Officer of Southern Pacific Transportation Company, 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.

Lenona Young-Rusconi
Notary Public

My commission expires:
August 20, 1993

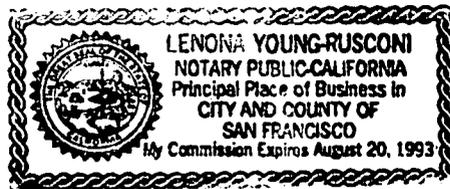


EXHIBIT A-4

Maintenance responsibilities for the Locomotives, road numbers shown in Schedule A-4, covered by this Lease will be as follows:

During the term of this Lease, Lessee at its expense will:

1. Conduct all FRA required inspections and keep the Locomotives in compliance with such regulations.
2. Be responsible for material and labor for:
 - a. Scheduled maintenance per latest revision of EMD Maintenance Instruction MI1738, and SP Maintenance Schedule SFS through M24.
 - b. Failure repair (other than Lessor's responsibility as specified in items 5 and 6 below).
 - c. Wheel truing.
 - d. Failures described in 6 below, if same failure is result of improper use, abuse, or misapplication by Lessee.
3. Use best efforts to purchase replacement materials from EMD. EMD has option to supply OEM parts at own expense.
4. Use fuel, lubricants, lube oil and coolant that meet the latest revision of EMD Maintenance Instructions 1748, 1752, 1750, 1756 and 1764, and SP Maintenance Schedule SFS through M24.

During the term of the Lease, Lessor will be responsible for:

5. Any overhauls required. Lessee agrees that Lessor has at its option, the right to perform overhaul whenever the Lessor feels that it is necessary.
6. Repair or failures requiring replacement of the engine, turbocharger or blowers, crankshaft, geartrain, four or more power assemblies, main generator, a traction motor, air compressor, fire damage to control or hi-voltage wiring, or catastrophic failure of the Dynamic Braking System.

Lessor may, at its sole option, authorize Lessee to perform Lessor's above-mentioned repair responsibilities, and if repairs are authorized, Lessee shall render a bill to Lessor for said repairs.