GE Transportation Systems

Michael J. Baughman
Counsel

General Electric Company
2901 East Lake Road, Erie, PA 16531
814 875-3044, Fx: 814 875-2724

October 24, 1993

VIA FEDERAL EXPRESS

0100022030

Ms. Mildred Lee
Interstate Commerce Commission
12th and Constitution Avenue, N.W.
Room 2302
Washington, D.C. 20423

18442
FILED
OCT 20 1993 -2 45 PM
INTERSTATE COMMERCE COMMISSION

Subject: Recordation of Locomotive Lease

Dear Ms. Lee:

Enclosed for recordation, under the provisions of 49 U.S.C. §11303 and the regulations thereunder, is an original and one copy/counterpart of an Interim User (Locomotive Lease) Agreement, dated as of October 1, 1993, between General Electric Company ("Lessor") and Union Pacific Holdings, Inc. ("Lessee"), a primary document.

The names and addresses of the parties to the enclosed Locomotive Lease Agreement are as follows:

LESSOR: General Electric Company
2901 East Lake Road
Erie, Pennsylvania 16531

LESSEE: Union Pacific Holdings, Inc.
Martin Tower
Eighth & Eaton Avenues
Bethlehem, Pennsylvania 18018

RECEIVED
OFFICE OF THE SECRETARY
OCT 20 2 38 PM '93
LICENSING BRANCH

A general description of the locomotives covered by the enclosed documents is attached hereto as Schedule I. Also enclosed is a remittance in the amount of $18.00 for the required recording fee.

The undersigned is Counsel and Attesting Secretary of General Electric Company. Please return the original and any extra copies not needed by the Commission for recordation to Michael J. Baughman, General Electric Company, 2901 East Lake Road, Building 14-5, Erie, Pennsylvania 16531.

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

PRIMARY DOCUMENT

Interim User Agreement, dated as of October 1, 1993, between General Electric Company ("Lessor") and Union Pacific Holdings, Inc. ("Lessee"), relating to 25 General Electric Diesel Electric Dash 8-41CW Locomotives, bearing Road Nos. 9530-9555, inclusive.

Respectfully submitted,

Enclosures

SCHEDULE I

Description of Locomotive(s)

Type of Equipment	Number of Units	Road Number(s)
General Electric Model Dash 8-41CW Diesel Electric Locomotives	25	9530-9555 (inclusive)

Interstate Commerce Commission

Washington, D.C. 20423

10/20/93

OFFICE OF THE SECRETARY

Michael J. Baughman
General Electric Company
2901 East Lake Road
Erie PA. 16531

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 10/20/93 at 2:45pm, and assigned recordation number(s). 18442

Sincerely yours,

Secretary
SIDNEY L. STRICKLAND, JR.

Enclosure(s)

18442
RECORDATION NO. _____ FILED 1425
OCT 20 1993 -2 12 PM
INTERSTATE COMMERCE COMMISSION

INTERIM USER AGREEMENT

By and between

UNION PACIFIC HOLDINGS, INC.

AND

GENERAL ELECTRIC COMPANY

Effective as of October 1, 1993

THIS AGREEMENT, dated as of October 1, 1993, between **GENERAL ELECTRIC COMPANY**, a New York corporation ("GE") and **UNION PACIFIC HOLDINGS, INC.**, a Utah corporation ("UP").

WITNESSETH:

WHEREAS, GE and UP (the latter, by way of a partial assignment by Union Pacific Railroad Company) are parties to an agreement (the "Purchase Agreement") calling for GE to manufacture and deliver to UP, and UP to accept and pay for, 25 Dash 8-41CW locomotives to bear road numbers 9531-9555, inclusive (collectively, the "Locomotives"); and

WHEREAS, UP intends to finance its purchase of the Locomotives from GE pursuant to one or more forms of financing (the "Financing"), but delivery of the Locomotives is scheduled to begin prior to the time UP will have completed said Financing; and

WHEREAS, UP desires that it be permitted to use the Locomotives pending establishment of such Financing, solely as a lessee thereof, and GE is willing to grant such temporary custody and possession to UP upon the terms and conditions hereinafter provided;

NOW THEREFORE, in consideration of the mutual covenants herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

1. GE, as lessor, hereby agrees to deliver the Locomotives to UP, as lessee, FOB GE's Erie, Pennsylvania plant, as of the date each of them is released from manufacturing. At such time following delivery of each of the Locomotives as the purchase price therefor is paid to GE, this Agreement shall automatically terminate as to each such Locomotive without further action by or notice to either party hereto, except for those provisions which in order to be given effect should survive termination.

2. Upon delivery of each Locomotive hereunder, UP's representative shall execute a Certificate of Acceptance, in the form of Exhibit A hereto, acknowledging the receipt of delivery of each such Locomotive under the Purchase Agreement. During the term hereof for so long as the purchase price shall not have been paid, title to the Locomotives shall remain in GE with UP's rights and interests therein being solely that of possession, custody and use as lessee hereunder. Transfer of title shall be effected only at the time of GE's delivery of bills of sale to UP or to the party which has paid the purchase price therefor.

3. Provided the purchase price for each of the Locomotives is paid to GE, UP shall not be required to pay rent for its use and possession of the Locomotives hereunder. In the event that payment of the purchase price is delayed for any reason, UP agrees to pay to GE as daily rent for each such Locomotives a sum equal to the purchase price for the Locomotives, multiplied by the from-time-to-time annual prime rate of interest charged by Citibank N.A. plus 250 basis points, and divided by 365.

4. UP shall permit no liens or encumbrances (other than the usual interchange of traffic rules) arising by, through or under it to attach to the Locomotives, and it agrees to:

(a) Indemnify and save GE harmless from any and all claims, expenses or liabilities of whatsoever kind, including but not limited to attorneys' fees and costs, which may arise by, through or under UP during the time any of the Locomotives are in the possession of UP and subject to this Agreement; and

(b) Pay any and all taxes (excluding any tax measured by GE's net income and any franchise, capital, net worth or similar tax imposed on GE, or any tax imposed in lieu of any of the foregoing), fines, charges and penalties that may accrue or be assessed or imposed upon the Locomotives or GE, because of GE's ownership or because of the use, operation, management or handling of the Locomotives during the term of this Agreement. The obligations of UP described in this Section 4 shall survive termination of this Agreement.

5. During the term hereof, UP shall cause the Locomotives to be maintained in accordance with the manufacturer's recommendations and shall, at its option, repair or promptly pay to GE the purchase price (as set forth in the Purchase Agreement) for any of the Locomotives which may be damaged or destroyed by any cause during the term of this Agreement.

6. UP acknowledges that it takes its possessory interest in the Locomotives subject to those provisions of the Purchase Agreement relating to Warranty, exclusion of certain warranties, remedies (and limitations of remedies) and limitation of liability and indemnities.

7. Prior to delivery under this Agreement, each Locomotive shall be numbered with a road number, and there shall be plainly, distinctly, permanently and conspicuously marked upon each side of each such Locomotive, the following legend in letters not less than one inch in height:

OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED WITH THE INTERSTATE COMMERCE COMMISSION.

UP hereby agrees to indemnify GE against any liability, loss or expense incurred by it as a result of placing of the aforementioned markings on the Locomotives.

If during the term of this Agreement such markings shall at any time be removed, defaced or destroyed, UP shall promptly cause the same to be restored or replaced.

8. The parties agree that at the end of the term of UP's use of the Locomotives hereunder, UP shall not have the option of returning the Locomotives to GE, but rather UP shall be required to pay the purchase price for the Locomotives (or cause the same to be paid) as required by the Purchase Agreement. In the event UP shall, in violation of its obligations under the Purchase Agreement, fail to pay (or cause payment to be for the Locomotives made) when due, GE may, in addition to any other remedies it may have, enter upon the premises of UP or such other premises where the Locomotives may be and take possession of all or any Locomotives, and thenceforth hold, possess and enjoy the same free from any right of UP, or its successors or assigns. In such event, GE may use the Locomotives for any purposes whatsoever, and may sell and deliver the Locomotives to others upon such terms as GE may see fit in its sole discretion, it being understood and agreed that UP shall remain liable to GE under the Purchase Agreement for: (a) an amount equal to any difference in the price paid by such other parties and the purchase price due from UP under the Purchase Agreement (less the value of GE's use of the Locomotives), plus (b) an amount equal to all expenses of GE incident to such sale including, but not limited to, the expenses of withdrawing the Locomotives from the service of UP, providing for the care and custody of the Locomotives, preparing the Locomotives for sale, and selling the Locomotives. UP shall pay the foregoing amounts from time to time upon demand by GE.

9. UP and GE each represent and warrant to the other that:

(a) It is a duly organized and validly existing corporation in good standing under the laws of its state of incorporation, is duly qualified to do business in such jurisdictions as are necessary to carry out the transactions contemplated by this Agreement, and has power and authority to own its properties and carry on its business as now conducted;

(b) The execution and delivery of this Agreement is within its corporate authority, has been authorized by proper corporate proceedings and will not contravene any provision of law or of its charter or by-laws nor contravene or constitute a default under the provisions of any agreement or other instrument binding upon it, and this Agreement is a valid and binding obligation of it enforceable against it in accordance with its terms, subject to applicable insolvency, bankruptcy or moratorium laws and general equitable principles;

(c) The rights of GE as herein set forth and the title of GE to the Locomotives are senior to the lien of any mortgage, security agreement or other instrument to which the party making the representation or warranty is a party; and

(d) No governmental authorizations, approvals or exemptions are required of it for the execution and delivery of this Agreement or for the validity and enforceability hereof against it or the bailment of the Locomotives hereunder on the terms and conditions provided herein, or, if any such authorizations are required of it, they have been obtained; and if any such shall hereafter be required of it, they will promptly be obtained.

10. UP agrees that the execution by GE of this Agreement or the delivery by GE of the Locomotives as contemplated by this Agreement, shall not relieve UP of its obligations to accept, take and pay for the Locomotives in accordance with the terms of the Purchase Agreement.

11. The execution of a Certificate of Acceptance in the form of Exhibit A hereto pertaining to any such Locomotive shall constitute acceptance of such Locomotive hereunder, and any warranty or other time period set forth in the Purchase Agreement applicable to such Locomotive shall be deemed to commence from the date of such acceptance.

12. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, each party hereto has caused this Interim User Agreement to be executed by its authorized representative.

Attest:

Assistant Secretary

UNION PACIFIC HOLDINGS, INC.

By:

Title Vice President and Treasurer

Date

Attest:

M. J. Baughman Attesting Secretary

GENERAL ELECTRIC COMPANY

By: D. B. Tucker

D. B. Tucker, General Manager,
North American Locomotive
Marketing, Sales & Service

Date 10/14/93

Commonwealth of Pennsylvania)
) ss:
County of Lehigh)

On this 18th day of October, 1993, before me personally appeared Gary M. Stuart, to me personally known, who, being by me duly sworn, says that he is Vice President and Treasurer of Union Pacific Holdings, Inc., that the foregoing instrument was executed 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.

[NOTARIAL SEAL]

Kathleen F. Owens
Notary Public

My Commission expires:

Notarial Seal
Kathleen F. Owens, Notary Public
Bethlehem, Lehigh County
My Commission Expires Oct. 19, 1996
Member, Pennsylvania Association of Notaries

Commonwealth of Pennsylvania)
) ss:
County of Erie)

On this 14th day of October, 1993, before me personally appeared David B. Tucker, to me personally known, who, being by me duly sworn, says that he is General Manager, Americas' Locomotive Marketing/Sales/Service of GENERAL ELECTRIC COMPANY, that the foregoing instrument was executed 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.

[NOTARIAL SEAL]

Carol A. Wahlen
Notary Public

My Commission expires:

Notarial Seal
Carol A. Wahlen, Notary Public
Lawrence Park Twp., Erie County
My Commission Expires Dec. 12, 1994

EXHIBIT A

Certificate of Acceptance

This is to certify that the equipment described below has been accepted by Union Pacific Holdings, Inc. pursuant to the terms of that Purchase Agreement consisting of: GE's Quotation Number TS-RG102792 dated October 27, 1992, GE's Revision No. 1 dated November 23, 1992, GE's Revision No. 2 dated December 16, 1992, GE's Clarification dated January 26, 1993, GE's Revision No. 3 dated February 18, 1993, and GE's Revision No. 4 also dated February 18, 1993; UP's Letter of Intent dated March 2, 1993; GE's Acknowledgment dated March 17, 1993; UP's Confirmation dated June 15, 1993; UP's Clarification dated July 30, 1993; and, by reference, all materials referenced in or attached to the foregoing documents including, but not limited to, GE's detailed proposal which accompanied GE's Quotation Number TS-RG102792:

Description of Equipment

Number of Units	Description	Road Numbers
_____ (___)	Model Dash 8-41CW	95__-95__ (inclusive)

General Electric Commpany,
Authorized Agent for:

UNION PACIFIC HOLDINGS, INC.

By:_____

Name _____

Date _____