

#32

2-058A033
RECORDATION NO 14229-0
FILED 1425

LAW OFFICES

ROSS & HARDIES

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

150 NORTH MICHIGAN AVENUE
CHICAGO, ILLINOIS 60601-7567
312-558-1000

FEB 27 1992 -3 20 PM

INTERSTATE COMMERCE COMMISSION
529 FIFTH AVENUE
NEW YORK, NEW YORK 10017-4608
212-949-7075

580 HOWARD AVENUE
SOMERSET, NEW JERSEY 08875-6739
201-563-2700

888 SIXTEENTH STREET, N.W.
WASHINGTON, D.C. 20006-4103
202-296-8600

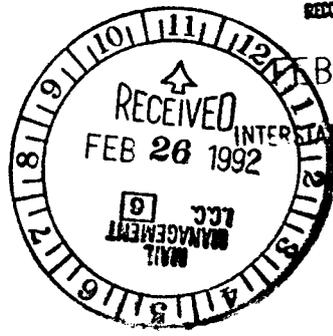
TWX NUMBER
910-221-1154
TELECOPIER
312-750-8600

SUSAN G. LICHTENFELD

February 25, 1992

RECORDATION NO 14229-0
FILED 1425
FEB 27 1992 -3 20 PM

Mr. Sidney L. Strickland, Jr.
Secretary
Interstate Commerce Commission
12th Street and Constitution Avenue
Washington, D.C. 20423



Dear Mr. Strickland:

Enclosed for filing and recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two documents, each of which is a secondary document, as defined in the Commission's Rules for the Recordation of Documents. Both documents relate to the Master Leasing Agreement dated as of December 1, 1983 between BLC Corporation, as lessor, and Southern Pacific Transportation Company, as lessee, which was recorded by the Interstate Commerce Commission on December 23, 1983 and assigned recordation number 14229-A. The two documents to be recorded are as follows:

Bill of Sale (Document No. 1)

Enclosed for filing and recordation are four fully executed and acknowledged copies of a Bill of Sale ("Bill of Sale") dated as of February 24, 1992 from BLC Corporation, Seller, to First Security Bank of Utah, National Association, as Owner-Trustee under BLC Trust No. 92-1, Buyer. The names and addresses of the parties to the enclosed Bill of Sale are:

- Seller: BLC Corporation
c/o Citicorp Railmark, Inc.
450 Mamaroneck Avenue
Harrison, New York 10528
- Buyer: First Security Bank of Utah,
National Association, as Owner-Trustee under BLC Trust No. 92-1
79 South Main Street
Salt Lake City, Utah 84111

Countryparts - John Miller

EB 27 3 15 PM '92
NOTICE GENERATING UNIT

Mr. Sidney L. Strickland, Jr.
February 25, 1992
Page 2

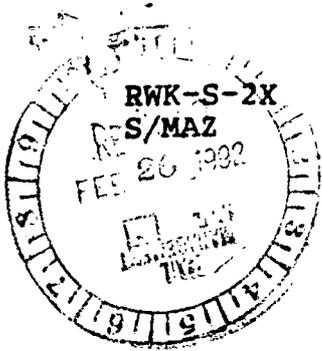
Acknowledgement of Assignment and Agreement (Document
No 2.)

Enclosed for filing and recordation are four fully executed and acknowledged copies of an Acknowledgement of Assignment and Agreement (the "Acknowledgement") dated as of February 25, 1992, among Southern Pacific Transportation Company, as Lessee, BLC Corporation, as Original Lessor, First Security Bank of Utah, National Association, as Owner-Trustee, and State Street Bank and Trust Company of Connecticut, National Association, as Secured Party. The names and addresses of the parties to the enclosed Acknowledgement are:

Lessee:	Southern Pacific Transportation Company Southern Pacific Building One Market Plaza San Francisco, CA 94105
Original Lessor:	BLC Corporation c/o Citicorp Railmark, Inc. 450 Mamaroneck Avenue Harrison, New York 10528
Assignee:	First Security Bank of Utah, National Association, as Owner- Trustee under BLC Trust No. 92-1 79 South Main Street Salt Lake City, Utah 84111
Secured Party:	State Stree Bank and Trust Company of Connecticut, National Association 750 Main Street Suite 1114 Hartford, CT 06103

Equipment Description

A description of the railroad equipment covered by the enclosed documents is 22 SD-45 locomotives bearing marks and numbers SP 6774, SP 6781 through 6792, SP 7493 through 7494, SP 7537 through SP 7539 and SP 7561 through SP 7564, all inclusive.



14229-8
RECORDS

FEB 27 1992 - 3 22 PM
INTERSTATE COMMERCE COMMISSION

ACKNOWLEDGEMENT OF ASSIGNMENT AND AGREEMENT

ACKNOWLEDGEMENT OF ASSIGNMENT AND AGREEMENT dated as of February 25, 1992, among SOUTHERN PACIFIC TRANSPORTATION COMPANY, a Delaware corporation (hereinafter called the Lessee), BLC CORPORATION, a Utah corporation (hereinafter called the "Original Lessor"), FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION, not individually but solely as Owner-Trustee (hereinafter called the "Assignee") under BLC Trust No. 92-1, and STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION (hereinafter called the "Secured Party")

WHEREAS, the Original Lessor is the owner of 22 diesel-electric locomotives, model EMD SD-45-2, bearing the road numbers of Southern Pacific Transportation Company listed on Schedule A hereto (hereinafter called the Locomotives);

WHEREAS, the Original Lessor is leasing the Locomotives to the Lessee pursuant to a Master Leasing Agreement dated as of December 1, 1983, which was filed with the Interstate Commerce Commission (the "ICC") on December 23, 1983 and assigned recordation number 14229-A, Rider No. 1 thereto dated as of January 1, 1985, which was filed with the ICC on June 5, 1985 and assigned recordation number 14229-C, Rider No. 2 dated as of February 1, 1986, Rider No. 3 dated as of July 1, 1986, which was filed with the ICC on August 7, 1986 and assigned recordation number 14229-G, and 13 "Individual Leasing Records" with respect thereto (all of such instruments, as they relate to the Locomotives, being hereinafter collectively called the Lease);

WHEREAS, the Original Lessor proposes to transfer and assign its interest in the Lease and the Locomotives to the Assignee pursuant to a Bill of Sale dated February 25, 1992;

Re: BLC Trust No. 92-1

WHEREAS, the interests of the Assignee in the Locomotives, the Lease and the obligations of the Lessee thereunder are to be assigned and granted to and retained by the Secured Party pursuant to the terms of the Security Agreement-Trust Deed dated as of February 1, 1992 (hereinafter called the Security Agreement) between the Assignee and the Secured Party.

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

1. Acknowledgement of Notice of Assignment. The Lessee hereby acknowledges notice of the assignment of the Lease and all payments, including all payments of rent, due and to become due thereunder to the Assignee pursuant to the Assignment, and the further assignment thereof to the Secured Party pursuant to the Security Agreement and agrees:

- (a) to make all payments due and to become due under the Lease directly to the Secured Party for the account of the Assignee at:

State Street Bank & Trust Company of
Connecticut, National Association
750 Main Street
Suite 1114
Hartford, CT 06103
Attention: Corporate Trust Department

or at such other address as shall be designated from time to time by the Secured Party in accordance with the provisions of the Lease;

- (b) that all rights of the Assignee under the Lease shall be exercisable by the Secured Party, as assignee and secured party, that such rights shall not be subject to any defense, counterclaim, or set-off against the Secured Party that the Lessee may have or assert against the Assignee or the Original Lessor, and that, except as expressly set forth in the Lease, the obligations of the Lessee under the Lease are not subject to cancellation, termination, modification, repudiation, excuse, or substitution without the consent of the Secured Party;
- (c) that the Secured Party shall not be or become subject to any liability of the Assignee or the Original Lessor under the Lease or otherwise; which liabilities, if any, shall remain the

responsibility of the Original Lessor or the Assignee, as provided in the Assignment;

- (d) to obtain the consent or approval of the Secured Party prior to taking any action for which the consent or approval of the lessor is required by the terms of the Lease;
- (e) that the Assignee and the Secured Party shall be entitled to the benefit of all covenants and obligations to be performed by the Lessee under the Lease as if named therein as lessor, and that the Assignee and the Secured Party shall be named as additional insured, and as loss payees (as their interests may appear), on any policies of insurance maintained by the Lessee pursuant to Section 8 of the Lease;
- (f) that the Assignee and the Secured Party each shall be entitled to indemnity under Section 9 of the Lease as if named therein as "Lessor"; and
- (g) it is the intent of the parties that the protections afforded lessors of rolling stock equipment under Section 1168 of the United States Bankruptcy Code shall be available to the Assignee and the Secured Party, as assignee of the Assignee.

2. Confirmation of Rentals, Amortized Value, Etc..

The Lessee confirms that the information set forth on Schedule A hereto with respect to the Locomotives is true and correct and that the Lease will be governed by Division 10 of the California Commercial Code currently in effect and shall be regarded as a finance lease for all purposes thereof.

3. Confirmation of Commercial Paper Rate. By letter dated April 2, 1991, a true and correct copy of which is attached hereto as Exhibit A, the Original Lessor advised the Lessee that the commercial paper of the Original Lessor is no longer traded in the market and that, effective from and after the April, 1991 rental calculation, the commercial paper rate of Citicorp will be used for purposes of calculating Rent under the Lease. The Lessee acknowledges that this arrangement is acceptable to it.

4. Copies of Lease True and Correct. The Master Leasing Agreement, Riders 1, 2 and 3 thereto and the Individual Leasing Records with respect to the Locomotives, all as identified in the second "Whereas" clause of this agreement, are attached hereto as Group Exhibit B; such instruments are true, correct and complete copies of the original executed copies thereof, and except as set forth therein or in paragraph 3 hereof, such instruments have not been modified, amended,

supplemented or rescinded and are in full force and effect.

5. No Default. The Lessee represents that the Locomotives are in working order and otherwise in the condition required by the Lease, that there does not now exist any "event of default" as specified in Section 13 of the Lease, and that all other terms and conditions of the Lease with respect to the Locomotives shall remain in full force and effect. The Lessor further confirms that it has made no prepayment of Rent, Casualty Value or Termination Value under the Lease.

6. Other Equipment. The parties hereto acknowledge that the Master Leasing Agreement identified in the second preamble hereto covers certain units of railroad equipment other than the Locomotives, and that such other equipment is not covered by the Assignment or the Security Agreement. The term "Lease," as used herein, means only the Lease as it relates to the Locomotives. Neither this agreement, nor the Assignment, nor the Security Agreement shall affect such other equipment or the rights of the Lessee and the Original Lessor therein, or in said Master Leasing Agreement as it relates to such other equipment.

7. Method of Notice. All communications and notices provided for herein shall be in writing and shall become effective when delivered or the next day after being deposited in the United States mail, with proper postage for overnight mail prepaid, addressed:

(i) if to the Lessee, at
Southern Pacific Building
One Market Plaza
San Francisco, CA 94105
Attention of: Treasurer

(ii) if to the Original Lessor, at
BLC Corporation
c/o Citicorp Railmark, Inc.
450 Mamaroneck Avenue
Harrison, New York 10528
Attention of: James S. Archibald,
Executive Vice President

(iii) if to the Assignee, at
First Security Bank of Utah, National
Association, as Trustee under
BLC Trust No. 92-1
79 South Main Street
Salt Lake City, Utah 84111
Attention of: Corporate Trust Department

With a copy to the original Lessor

(iv) if to the Secured Party, at
State Street Bank & Trust Company of
Connecticut, National Association
750 Main Street
Suite 1114
Hartford, CT 06103
Attention: Corporate Trust Department

or at such other address that any party shall designate by notice to the other parties hereto.

8. Discharge of Indebtedness. Upon the full payment of the indebtedness of the Assignee under the Security Agreement, this Agreement shall be of no further force and effect with respect to the Secured Party and, upon request of the Assignee, the Secured Party shall confirm to the Lessee that such indebtedness has been fully paid.

9. Recourse. No recourse shall be had in respect of any obligation, covenant, or agreement contained or referred to herein, against any stockholder, incorporator, director, or officer, as such, past, present, and future, of any corporate party hereto.

10. Invalidity of Provisions. Any provision of this agreement that may be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

11. Counterparts. This agreement 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.

12. Successors and Assigns. This agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

13. Effectiveness. Although this agreement is dated as of the date first above written for convenience, the actual dates of execution hereof by the parties hereto are respectively the dates set forth under the signatures hereto, and this agreement shall be effective on the latest of such dates.

IN WITNESS WHEREOF, the parties hereto have each caused this agreement to be duly executed by their respective officers thereunto duly authorized:

SOUTHERN PACIFIC TRANSPORTATION COMPANY, the Lessee

By: *R. Chubb*
Vice President

Dated: FEB 24 1992

BLC CORPORATION, the Original Lessor

By: _____
Its _____

Dated: _____

FIRST SECURITY BANK OF UTAH,
NATIONAL ASSOCIATION, not
individually but solely as
Trustee under BLC Trust No. 92-1,
the Assignee

By: _____
Its _____

Dated: _____

STATE STREET BANK AND TRUST
COMPANY OF CONNECTICUT, NATIONAL
ASSOCIATION, the Secured Party

By: _____
Its _____

Dated: _____

IN WITNESS WHEREOF, the parties hereto have each caused this agreement to be duly executed by their respective officers thereunto duly authorized:

SOUTHERN PACIFIC TRANSPORTATION COMPANY, the Lessee

By: _____
Vice President

Dated: _____

BLC CORPORATION, the Original Lessor

By: *V. C. Cali*
Its VICE PRES

Dated: 2/24/91

FIRST SECURITY BANK OF UTAH,
NATIONAL ASSOCIATION, not
individually but solely as
Trustee under BLC Trust No. 92-1,
the Assignee

By: _____
Its _____

Dated: _____

STATE STREET BANK AND TRUST
COMPANY OF CONNECTICUT, NATIONAL
ASSOCIATION, the Secured Party

By: _____
Its _____

Dated: _____

IN WITNESS WHEREOF, the parties hereto have each caused this agreement to be duly executed by their respective officers thereunto duly authorized:

SOUTHERN PACIFIC TRANSPORTATION COMPANY, the Lessee

By: _____
Vice President

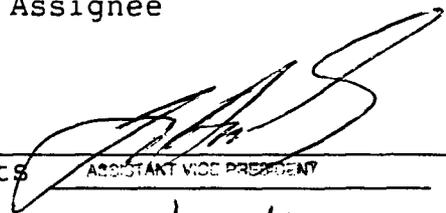
Dated: _____

BLC CORPORATION, the Original Lessor

By: _____
Its _____

Dated: _____

FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION, not individually but solely as Trustee under BLC Trust No. 92-1, the Assignee

By:  _____
Its ASSISTANT VICE PRESIDENT

Dated: 2/25/92

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, the Secured Party

By: _____
Its _____

Dated: _____

IN WITNESS WHEREOF, the parties hereto have each caused this agreement to be duly executed by their respective officers thereunto duly authorized:

SOUTHERN PACIFIC TRANSPORTATION COMPANY, the Lessee

By: _____
Vice President

Dated: _____

BLC CORPORATION, the Original Lessor

By: _____
Its _____

Dated: _____

FIRST SECURITY BANK OF UTAH,
NATIONAL ASSOCIATION, not
individually but solely as
Trustee under BLC Trust No. 92-1,
the Assignee

By: _____
Its _____

Dated: _____

STATE STREET BANK AND TRUST
COMPANY OF CONNECTICUT, NATIONAL
ASSOCIATION, the Secured Party

By: W. H. ...
Its _____

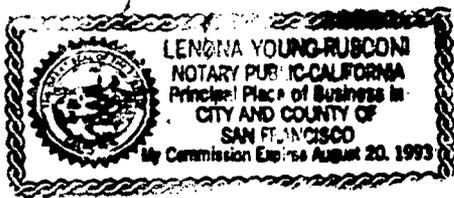
Dated: 2/25/92

STATE OF CALIFORNIA)
) SS.
COUNTY OF San Francisco

On this 21st day of February, 1992, before me personally appeared LC Yarbans, to me personally known, who being duly sworn, says that he is a Vice President Firm of SOUTHERN PACIFIC TRANSPORTATION COMPANY, that said 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.

Lenora Young-Rusconi
Notary Public

[NOTARY SEAL]



My Commission Expires: 8/20/93

STATE OF NEW YORK)
) SS.
COUNTY OF WESTCHESTER)

On this 24 day of February, 1992, before me personally appeared VITO CALIA, to me personally known, who being duly sworn, says that he is a Vice Pres of BLC CORPORATION, that said 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.

Victor D. Gagliardi
Notary Public

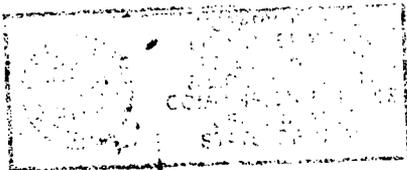
[NOTARY SEAL]

My Commission Expires: 8/31/93

VICTOR D. GAGLIARDI
Notary Public, State of New York
No. 31-4619588
Qualified in New York County
Commission Expires 8/31/93

STATE OF UTAH)
COUNTY OF Salt Lake) SS.

On this 24th day of February, 1992, before me personally appeared Greg A. Hawley, to me personally known, who being duly sworn, says that he is a ASSISTANT VICE PRESIDENT of FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION, that said 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.



Jim N. Brantley
Notary Public

[NOTARY SEAL]

My Commission Expires:

Sept. 5th 1995

EXHIBIT A
TO ACKNOWLEDGMENT OF ASSIGNMENT AND AGREEMENT

BANKERS LEASING AND FINANCIAL CORPORATION

A subsidiary of
Citicorp

2655 Campus Drive
Suite 200
San Mateo, CA
94403
415-573-1200
415-573-5669 (telecopy)

April 2, 1991

Mr. Edward F. Grady
Treasurer
Southern Pacific Transportation Company
One Market Plaza
San Francisco, CA 94111

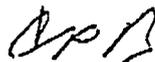
Dear Ed:

As we discussed on the telephone today, BLC Corporation ceased selling commercial paper effective April 1, 1991. Since the acquisition of Bankers Leasing by Citicorp, BLC's commercial paper has been guaranteed by Citicorp and accordingly has had the same commercial paper ratings as Citicorp. Consequently, BLC Corporation commercial paper traded at approximately the same rate as Citicorp.

At the present time there are two equipment leases between BLC Corporation and Southern Pacific Transportation Company and one lease between BLC Corporation and SSW which use BLC Corporation's commercial paper rate as a component for determining the applicable monthly lease rate for the equipment under lease. Since BLC paper is no longer traded in the market, effective with the April, 1991 billing Bankers Leasing is using Citicorp's commercial paper rate as the component for computing the monthly lease rate. A copy of the operative lease rate language for each of the leases is attached.

In our conversation you indicated that you wish to have your legal department review this and if I can be of any assistance to you or them, I know you won't hesitate to contact me.

Yours truly,



Edmond P. Browne
Senior Vice President

EPB/ko

SCHEDULE A
TO ACKNOWLEDGMENT OF ASSIGNMENT AND AGREEMENT

14229-P

SCHEDULE A TO
ACKNOWLEDGEMENT OF ASSIGNMENT AND AGREEMENT

INDIVIDUAL LEASING RECORD NO. *	LOCOMOTIVE ROAD NUMBERS	QUANTITY	ACQUISITION COST *	EXPIRATION DATE OF LAST PAYMENT PERIOD	AMORTIZED VALUE* AS OF 2/25/92 - (AFTER PAYMENT DUE ON 2/25/92)
4	7494	1	671,861	5/25/94	\$220,636
5	7493	1	679,256	5/25/94	\$223,064
100	7537	1	752,000	5/25/95	\$244,400
101	7538	1	752,000	5/25/95	\$244,400
103	7539	1	752,000	5/25/95	\$244,400
228	7561-64	4	3,012,800	3/25/96	\$1,230,226
256	6774, 6781-82	3	1,645,800	11/25/95	\$685,750
258	6783-85	3	1,645,800	11/25/95	\$685,750
259	6786-87	2	1,097,200	11/25/95	\$457,167
260	6788	1	548,600	12/25/95	\$233,663
261	6789	1	548,600	12/25/95	\$233,663
262	6790	1	548,600	12/25/95	\$233,663
263	6791-92	2	1,097,200	12/25/95	\$467,326
		22	13,751,717		5,404,108

* Note: Terms identified with an asterisk shall have the meanings assigned to them in the Lease.

GROUP EXHIBIT B
TO ACKNOWLEDGMENT OF ASSIGNMENT AND AGREEMENT

DEC 23 1983 12:50 PM

INTERSTATE COMMERCE COMMISSION

MASTER LEASING AGREEMENT

Leasing Agreement, dated as of the 1st day of December, 1983, by and between BLC Corporation of San Mateo, California (herein called "Lessor") and Southern Pacific Transportation Company of San Francisco, California (herein called "Lessee").

In consideration of the mutual covenants hereinafter contained, Lessor and Lessee agree as follows:

1. Definitions. As herein used:

(a) "Equipment" means the following types of property owned or to be owned by the Lessor and leased by the Lessor to the Lessee or ordered by the Lessor for lease to the Lessee as provided herein:

Rehabilitated railroad locomotives as further described in Schedule A hereto, and such other Equipment as may be agreed upon by Lessor and Lessee.

(b) "Acquisition Cost" of Equipment is an amount equal to the sum of the vendor's delivered price, dealer's delivery and handling charges, the cost of any original equipment which may be added, the costs of rehabilitating and reconstructing such Equipment, excise tax on the Equipment, any sales and use taxes, expenses of installation and freight, and other expenses required to effect delivery of the Equipment to the Lessee, less purchase discounts obtained.

(c) "Individual Leasing Record" is a record with respect to Equipment dated the date of the delivery of the Equipment to the Lessee and setting forth a full description of the Equipment, its Acquisition Cost, the location and such other details as the parties may desire. As between Lessor and Lessee the signature of Lessee on an Individual Leasing Record shall constitute acknowledgement by Lessee that the Equipment has been delivered in good condition and accepted for lease by Lessee as of the date of the Individual Leasing Record. The Individual Leasing record shall contain a short form of lease to be executed by each of the parties reading substantially as follows:

"The undersigned Lessor hereby leases to the undersigned Lessee, and the Lessee acknowledges delivery to it in good condition of, the Equipment described above. The covenants, terms and conditions of this lease are those appearing in a Master Leasing Agreement between the undersigned Lessor and Lessee dated 19 , which covenants, terms and conditions are hereby incorporated by reference.

_____, Lessor

By _____

_____, Lessee

By _____,"

(d) "Interim Leasing Record" is a record, substantially in the form of an Individual Leasing Record signed by the Lessor and Lessee, to record the leasing of Equipment on a component basis under Section 23 for any period prior to the Completion Date. The Interim Leasing Record shall be dated the date of delivery of such Equipment to the Lessee. As between Lessor and Lessee the signature of Lessee on an Interim Leasing Record shall constitute acknowledgement by Lessee that the Equipment has been delivered in good condition and accepted for lease by Lessee as of the date of the Interim Leasing Record.

(e) "Final Leasing Record" is a record, substantially in the form of an Individual Leasing Record signed by the Lessor and the Lessee, to record the leasing of a completed unit of Equipment under Section 23 for any period on or after the Completion Date. The Final Leasing Record shall be dated the Completion Date.

(f) "Monthly Amortization Figure" for any Equipment listed in Schedule A hereto for each full month during the lease of such Equipment is an amount equal to the Acquisition Cost of such Equipment multiplied by a fraction the numerator of which shall be the applicable Basic Amortization Amount specified in Schedule B hereto and the denominator of which shall be one million (1,000,000).

All other Equipment shall have a Monthly Amortization Figure as approved by Lessor.

In determining the Monthly Amortization Figure of Equipment, the anticipated useful life of such Equipment as it will be used by Lessee shall be considered, and upon request, the Lessee will furnish Lessor with information with respect thereto.

Monthly amortization shall be taken at the close of business of the last day of each full month of the lease of the Equipment until the Amortized Value of the Equipment has reached zero.

(g) The "Aggregate Amortization" of any Equipment is an amount equal to the sum total of the Monthly Amortization Figures for each of the months for which Rent for the Equipment has been paid.

(h) "Amortized Value" of Equipment is the Acquisition Cost of the Equipment less its Aggregate Amortization.

(i) "Rent" for any Equipment for any month on or after the Amortization Commencement Date during the term of the lease of such Equipment will be the sum of the Monthly Amortization Figure for such Equipment plus Contingent Rent for such Equipment, plus an amount computed by multiplying the following:

(1) The Amortized Value of such Equipment on the first day of such month, by

(2) A fraction having a numerator equal to the number of days in such month and a denominator of 360, by

(3) A Percentage equal to the sum of one percent (1.0%) plus the higher of (i) the prime interest rate of The Chase Manhattan Bank on 30-day unsecured commercial loans on the first day of such month, or (ii)

the rate charged the Lessor on 30-day commercial paper issued by Lessor and sold by its principal commercial paper dealer on the first day of such month or, if such paper has not been so sold on such date, the rate on such date quoted to Lessor on such paper by its principal commercial paper dealer. If however, the applicable prime interest rate exceeds the commercial paper rate by more than three-quarters of one percent (0.75%), the percentage rental factor shall be reduced by one hundred percent (100%) of such excess. If, on any date referred to above, there shall be more than one such prime interest rate of The Chase Manhattan Bank in effect, or if more than one rate is charged or quoted to Lessor on such commercial paper then the last of such prime interest rates or the last of such commercial paper rates on such date shall be used. Upon execution of this agreement, Lessor shall notify Lessee in writing of the then applicable percentage under this subsection (3). Thereafter, Lessor shall notify Lessee in writing of any change in such percentage. If the notice of change is given to the Lessee at least ten (10) days before the due date of a Rent payment, the changed percentage shall be used in computing such Rent payment. If such notice is given to Lessee less than ten (10) days before the due date of a Rent payment, the changed percentage shall not be used in computing such Rent payment, but an adjustment shall be made by Lessee in the next succeeding Rent payment to give effect to the changed percentage for all previous months to which the changed percentage is applicable.

Notwithstanding the foregoing, when the Aggregate Amortization of any Equipment leased hereunder equals the Acquisition Cost of such Equipment, the monthly Rent for such Equipment thereafter will be an amount equal to the fair rental value of such Equipment.

(j) "Interim Rent" for any Equipment for any partial first month or any full month prior to the Amortization Commencement Date for such Equipment shall be an amount computed by multiplying the following:

(1) The Acquisition Cost of such Equipment, by

(2) A fraction having a numerator equal to the number of days such Equipment is under lease during such partial first month or in such full month and a denominator of 360, by

(3) A percentage referred to in subsection (i)(3) above.

(k) "Amortization Commencement Date" shall mean, for the Equipment described in Schedule A hereto, the earlier to occur of January 1, 1985 or the first day of the month following receipt by Lessor of a notice from Lessee that the reconstruction and rehabilitation of all such Equipment has been completed. The "Amortization Commencement Date" for all other Equipment shall mean the first day of the month following the receipt by Lessor of an Individual Leasing Record for such Equipment or, if such Equipment is to be assembled on a component basis in accordance with Section 23, the first day of the month following the Completion Date for such Equipment.

(l) (1) The term "Contingent Rent" means the amount by which the proceeds of sale of any unit of Equipment pursuant to Section 10 of this Leasing Agreement are less than they would have been because of abuse, damage,

extraordinary wear and tear or excessive usage. In the event Lessor and Lessee cannot agree on the amount of Contingent Rent due, if any, they shall appoint a qualified independent appraiser to determine the amount and his decision shall be final; and, if the parties are unable to agree on a single qualified independent appraiser, each shall appoint one qualified independent appraiser and the two so appointed shall, if they are unable to agree on the amount of Contingent Rent, jointly name a third, in which event the decisions of a majority of the appraisers as to the amount of Contingent Rent shall be final. All fees and expenses of the appraiser(s) shall be borne equally by the Lessee and the Lessor.

(2) If the sale proceeds of any unit of Equipment transmitted to Lessor are less than 24% of the Base Amount (as defined in Section 10), the Lessee shall, in addition, be obligated to pay, and shall pay to Lessor, the amount (if any) of Contingent Rent with respect to such Equipment as is then determined in accordance with subsection (1)(1), provided, however, that the amount of any Contingent Rent will not be greater than the amount by which 24% of the Base Amount exceeds such proceeds of sale.

(m) "Completion Date" for any unit of Equipment assembled on a component basis under Section 23, shall mean the date when such assembly, construction or reconstruction is complete for such unit.

2. Agreement for Lease of Equipment. Lessor shall lease to Lessee and Lessee shall lease from Lessor such Equipment as may be mutually agreed upon provided that the aggregate Amortized Value of Equipment leased by Lessor to Lessee hereunder shall not exceed \$10,000,000. All such leases shall be entered into in the manner and upon the terms and conditions set forth in this Master Leasing Agreement. Lessor and Lessee shall evidence their agreement to lease particular Equipment by signing and delivering to each other an Individual Leasing Record describing the Equipment. A request by the Lessee to the Lessor to acquire particular Equipment for lease hereunder shall obligate the Lessee to lease the Equipment from the Lessor upon delivery of the Equipment to the Lessee. Lessor and Lessee hereby declare that this Master Leasing Agreement is, and is intended to be, an agreement to lease, and that every Individual Leasing Record executed by the parties pursuant to this Master Leasing Agreement is a lease. The Lessor has or will have title to and will be the owner of the Equipment to be leased, and the Lessee does not hereby acquire any right, equity, title or interest in the Equipment, except the right, as Lessee, to use the same under the terms hereof. The parties agree to treat this Master Leasing Agreement as a lease for all purposes, including without limitation, tax, accounting, regulatory or otherwise.

3. Delivery. Lessor shall not be liable to Lessee for any failure or delay in obtaining Equipment or making delivery thereof. Upon delivery of Equipment to Lessee and receipt by Lessor of vendor's invoice approved by Lessee together with an Individual Leasing Record with respect to the Equipment duly executed by Lessee and, if requested by Lessor, appropriate title papers for such Equipment, Lessor shall remit to the vendor a check for the total of the vendor's invoice for such Equipment, provided that the amount paid to the vendor by Lessor shall not exceed the Acquisition Cost of the Equipment. If the amount paid to the vendor by Lessor is less than the Acquisition Cost of the Equipment, to the extent that delivery costs or cost of additions to the Equipment have been met by Lessee, and do not exceed the Acquisition Cost, Lessor shall reimburse Lessee to the extent of such payment made by Lessee up to the amount of the Acquisition Cost.

4. Lease Term. The lease hereunder of Equipment shall be effective from the date of delivery of such Equipment and the Individual Leasing Record shall be dated such date. The lease term for each unit of Equipment shall be for a period beginning with the effective date thereof and ending one year after the last day of the month in which the effective date of the lease occurs. Thereafter, the lease term shall be extended from month to month until terminated, as provided in Sections 10, 11, 14, 15, 17 or 18 hereof. Notwithstanding the foregoing, at least the provisions of Section 9 and the first sentence of Section 11 of this Master Leasing Agreement shall apply as between Lessor and Lessee with respect to any Equipment from the time the Equipment is ordered by the Lessor pursuant to a request from the Lessee.

5. Rent. Lessee shall pay Interim Rent and Rent monthly in arrears on the twenty-fifth (25th) day of each month. Reports from Lessee shall be rendered as close to such payment date as possible covering the computation of Interim Rent and Rent and other payments due hereunder for the month, adjustments to the preceding month's Interim Rent and Rent resulting from commencement or termination of the lease of any Equipment during such month and other appropriate items, if any.

6. Use of Equipment. Lessor and Lessee hereby acknowledge and agree that the Equipment leased hereunder shall at all times be the sole and exclusive property of Lessor, and Lessee shall have no right, title or property therein but only the right to use the same as herein provided. So long as Lessee is not in default in any obligation to the Lessor, Lessee may use the Equipment in the regular course of its business or the business of any subsidiary or affiliate of the Lessee and may permit others to use same for any lawful purpose. Such use shall be confined to the United States. Lessee shall promptly and duly execute, deliver, file and record all such documents, statements, filings and registrations, and take such further action as Lessor shall from time to time reasonably request in order to establish, perfect and maintain Lessor's title to and interest in the Equipment as against Lessee or any third party. Lessee shall notify Lessor in writing of any change in the principal location of any unit of Equipment. Notwithstanding the foregoing, no change of location shall be undertaken unless and until all such legal requirements shall have been met or obtained. At least once a year, or more frequently, if Lessor reasonably so requests, Lessee shall advise Lessor in writing where all Equipment leased hereunder as of such date is principally located. Lessee shall not use any Equipment or allow the same to be used for any unlawful purpose. Lessee shall use every reasonable precaution to prevent loss or damage to Equipment and to prevent injury to third persons or property of third persons. Lessee shall cooperate fully with Lessor and all insurance companies providing insurance under Section 8 hereof in the investigation and defense of any claims and suits. Lessee shall comply and shall cause all persons operating Equipment to comply with all insurance policy conditions and with all statutes, decrees, ordinances and regulations regarding acquiring, titling, registering, leasing, insuring, using, operating, and disposing of Equipment, and the licensing of operators thereof. Lessor or any authorized representative of Lessor may during reasonable business hours from time to time inspect Equipment wherever the same be located, provided that Lessor shall give notice of such inspection to Lessee at least 48 hours in advance of such inspection. Lessee shall not without prior written consent of Lessor sublease any Equipment nor permit, or suffer to exist, any lien or encumbrance other than those placed thereon by Lessor or by persons claiming only against Lessor and not against Lessee, nor shall Lessee assign any right or interest herein or in any Equipment, provided, however, that Lessee may sublet Equipment to any subsidiary or affiliate of Lessee, or to any contractor for use in performing work for Lessee, provided that such subletting shall in no way affect the obligations of Lessee hereunder, or the rights of Lessor hereunder.

7. Improvements and Repair of Equipment. Lessee shall pay all costs, expenses, fees and charges incurred in connection with the use and operation of Equipment during the lease thereof. Lessee shall at all times, at its own expense, keep Equipment in first class condition and repair, and in good and efficient working order, reasonable wear and tear only excepted. This provision shall apply regardless of the cause of damage and all risks with respect thereto are assumed by Lessee. At its own expense, Lessee shall supply and replace all parts to the Equipment and shall supply the necessary power and other items required in the operation of the Equipment. Any replacement parts, improvements and additions to the Equipment shall become and remain the property of the Lessor, except that any improvement or addition made by the Lessee shall remain the property of the Lessee if it can be disconnected from the Equipment without impairing the functioning of the Equipment as originally constituted when first leased hereunder.

8. Insurance. Lessee shall, at its own expense, with respect to Equipment maintain insurance insuring the respective interests of Lessor and Lessee and covering (a) physical damage to Equipment and (b) liability for personal injury, death and property damage resulting from the operation, ownership, use and possession of Equipment. All such insurance shall be in reputable companies satisfactory to Lessor. Policies covering physical damage risks shall be in an amount not less than the Amortized Value of Equipment. The Lessee shall maintain third-party liability covering personal injury, death and property damage liability as a result of one accident in the amount of \$5,000,000. Lessor shall be named insured and, with respect to physical damage coverage, a named loss payee in all insurance policies required under this Section. All such policies shall provide for at least ten (10) days' written notice to Lessor of any cancellation or material alteration of such policies. Lessee shall furnish Lessor certificates or other evidence satisfactory to Lessor or compliance by Lessee with the provisions hereof, but Lessor shall be under no duty to examine such certificates or to advise Lessee in the event its insurance is not in compliance herewith. Lessee covenants that it will not use or operate or permit the use or operation of any Equipment at any time when the insurance required by this Section is not in force with respect to such Equipment. Lessee's obligation to maintain insurance with respect to any Equipment shall commence on the actual day of delivery of the Equipment and shall continue until the Equipment is sold or the lease of the Equipment terminates, whichever is sooner. Lessee may self-insure with respect to the insurance referred to in subparagraphs (a) or (b) above, subject to Lessor's approval of Lessee's plan of self-insurance.

9. Indemnity.

(a) Lessee agrees to indemnify and hold harmless the Lessor against any and all claims, demands and liabilities of whatsoever nature and all costs and expenses (including litigation expenses) relating to the Equipment or this Agreement and in any way arising out of:

(i) the ordering, delivery, acquisition, rejection, installation, possession, titling, registration, re-registration, custody by Lessee of title and registration documents, use, non-use, misuse, operation, transportation, repair, control or disposition of Equipment leased or requested by Lessee to be leased hereunder, except to the extent that such costs are included in the Acquisition Cost of such Equipment within the dollar limit provided in Section 2 hereof (or within any change of such limit agreed to in writing by Lessor and Lessee) and except for any general administrative or overhead expenses of Lessor;

(ii) all recording and filing fees, stamp taxes and like expenses with respect to mortgages on the Equipment from the Lessor to any mortgagee;

(iii) all costs, charges, damages or expenses for royalties and claims and expenses arising out of or necessitated by the assertion of any claim or demand based upon any infringement or alleged infringement of any patent or other right, by or in respect of any Equipment, provided, however, that Lessor will to the extent permissible make available to Lessee Lessor's rights under any similar indemnification arising by contract or operation of law from the manufacturer of Equipment;

(iv) all federal, state, county, municipal, foreign or other fees and taxes of whatsoever nature, including but not limited to license, qualification, franchise, sales, use, gross receipts, ad valorem, business, property (real or personal), excise, motor vehicle, and occupation fees and taxes, and penalties and interest thereon, whether assessed, levied against or payable by Lessor or otherwise, with respect to Equipment or the acquisition, purchase, sale, rental, use, operation, control, ownership or disposition of Equipment or measured in any way by the value thereof or by the business of, investment in, or ownership by Lessor with respect thereto, excepting only net income taxes on the net income of the Lessor determined substantially in the same manner as net income is presently determined under the Federal Internal Revenue Code, and any excise, sales or use taxes included in the Acquisition Cost of the Equipment;

(v) any violation by Lessee of this Master Leasing Agreement or of any contracts or agreements to which Lessee is a party or by which it is bound, or any laws, rules, regulations, orders, writs, injunctions, decrees, consents, approvals, exemptions, authorizations, licenses and withholdings of objection, or any governmental or public body or authority and all other requirements having the force of law applicable at any time to Equipment or any action or transaction by Lessee with respect thereto or pursuant to this Master Leasing Agreement.

(b) Lessee shall forthwith upon demand reimburse Lessor for any sum or sums expended with respect to any of the foregoing, or shall pay such amounts directly upon request from Lessor. Lessee shall be subrogated to Lessor's right in the affected transaction and shall have a right to determine the settlement of claims therein but in the best interests of Lessor. The foregoing indemnity in this section shall survive the expiration or earlier termination of this Master Leasing Agreement or any lease of Equipment hereunder.

10. Termination of Leases of Equipment; Adjustment of Rent. After the expiration of one year from the last day of the month in which the lease of any Equipment is effective, if such Equipment has become economically or otherwise obsolete or is no longer useful in the Lessee's business, and provided that the Lessee is not in default hereunder, Lessee may arrange for the termination of the lease of such Equipment in the manner and with the consequences hereinafter set forth. Lessee shall deliver written notice to Lessor, signed by a vice president or other authorized officer of Lessee, identifying the Equipment the lease of which Lessee proposes to terminate, the proposed sale price and the terms of the proposed sale. Such notice shall constitute a certificate of Lessee that such Equipment has become economically or otherwise obsolete or is no longer useful in Lessee's business. After delivery of such notice,

Lessee, on behalf of and in cooperation with Lessor, shall proceed directly with negotiating the sale of such Equipment to a third party unrelated to Lessor or Lessee and the Lessor shall execute and transmit to the Lessee all papers needed to effectuate the sale. In arranging the sale of any Equipment pursuant to this Section 10, the Lessee shall use its best efforts to obtain sale proceeds not less than such Equipment's retail fair market value, delivered to a purchaser or purchasers unrelated to Lessee, giving due consideration to whether the Equipment's value is higher as an aggregate, or as two or more lots of equipment. If the parties cannot agree upon such fair market value or values, they shall utilize the appraisal procedure provided for in Section 1(1)(1), with the consequences set forth therein. If the proposed sale price specified in such notice is less than 24% of the Base Amount of such Equipment, Lessee shall not proceed to sell the Equipment until it has received the consent of the Lessor, which consent shall not be unreasonably withheld.

Lessee shall cause the proceeds of sale of such Equipment to be transmitted promptly to the Lessor. The lease of such Equipment and the Lessee's obligation to pay Rent shall continue until such proceeds of sale and additional Rent, if any, are received by the Lessor, or Lessor's assignee, and shall thereupon terminate. If the net proceeds of sale of such Equipment are less than the Amortized Value of such Equipment at the time of the termination of the lease of such Equipment hereunder, the Lessee shall forthwith pay as additional Rent an amount equal to such deficiency. If the net proceeds of sale of such Equipment are more than the Amortized Value of such Equipment at the time of the termination of the lease of such Equipment hereunder, the Lessor, in consideration of the Lessee's agreement hereunder to repair, maintain and insure the Equipment, shall as an adjustment of Rent forthwith pay to Lessee or, at the option of Lessee, credit Lessee's account in an amount equal to the difference between said net proceeds of sale and said Amortized Value. If for any month funds are payable by Lessor to Lessee under this Section, the amount so payable may be deducted by Lessee from funds payable during the same month by Lessee for Rent of Equipment.

Notwithstanding the foregoing, if the sale proceeds of any unit of Equipment are less than the Amortized Value of such Equipment but equal to or greater than 24% of the Base Amount of such Equipment, the Lessee shall at the same time pay Lessor a sum equal to the difference between the amount of the sale proceeds (which proceeds for purposes of determining Lessee's liability may be reduced due to prior or subsequent sales of other units of Equipment as hereinafter described) and the Amortized Value. If the sale proceeds of any unit of Equipment plus Contingent Rent are less than 24% of the Base Amount of such Equipment the Lessee shall at the same time pay Lessor a sum equal to the Amortized Value of such Equipment less 24% of the Base Amount of such Equipment. In the event a deficiency arises because the Lessor does not receive 24% of the Base Amount, to the extent that in any prior or subsequent sale of any unit of Equipment, sale proceeds were received or will be received in excess of 24% of the Base Amount, such excess sale proceeds shall be paid to the Lessor, with respect to future sales, upon the sale of any unit of Equipment, and with respect to prior Equipment sales resulting in excess proceeds, at the time the deficiency arises. Any sale proceeds of Equipment in excess of the Amortized Value of the Equipment after the expiration of the lease terms of all Equipment will be for the account of the Lessee.

The "Base Amount" means, as to any Equipment sold one year after the commencement of its lease term, the Acquisition Cost of such Equipment, and as to any Equipment sold more than one year after the commencement of its lease term, the Amortized Value of such Equipment at the termination of its lease term. The term "sale proceeds" means the gross purchase price paid by the purchaser, without charge or reduction in any manner on account of any costs or expenses of sale, removal,

transportation, repair, storage, delivery or similar costs or expenses, and all of such costs and expenses (if any) shall be borne by the Lessee.

11. Loss or Destruction of the Equipment. Lessee hereby assumes all risks of loss or damage to the Equipment howsoever the same may be caused. Lessee shall notify Lessor immediately of any loss or of any substantial damage to any Equipment and shall keep Lessor informed of all developments and correspondence regarding insurance rights and other rights and liabilities arising out of the loss or damage. In the event of total destruction of any of the Equipment or damage beyond repair or the commandeering, conversion or other such loss of any of the Equipment, or if the use thereof by the Lessee in its regular course of business is prevented by the act of any third person or persons, or any governmental instrumentality, for a period exceeding ninety (90) days, or if any of the Equipment is attached (other than on a claim against the Lessor but not the Lessee) or is seriously damaged and the attachment is not removed or the Equipment not repaired, as the case may be, in a period of ninety (90) days, then in any such event (a) Lessee shall promptly notify Lessor in writing of such fact, (b) within ten (10) days thereafter the Lessee shall pay to the Lessor, or Lessor's assignee, an amount equal to the Amortized Value of such Equipment at the time of payment, (c) the lease of such Equipment shall continue until such payment has been received by the Lessor, or Lessor's assignee, and shall thereupon terminate, and (d) upon such payment all of Lessor's title to and rights in such Equipment and any insurance thereon shall automatically pass to the Lessee.

12. Surrender of Equipment. Upon the final termination of the lease as to any Equipment (other than a termination as provided for in Sections 10, 11, 14, 15, 17, or 18), Lessee shall surrender such Equipment to the Lessor at the Lessee's property where the Equipment is then located or at such other place as may be agreed upon. Lessee shall cooperate with Lessor in effecting removal of the Equipment from Lessee's property. Lessee shall pay the Lessor any amount by which the cost of removing and disposing of any Equipment exceeds the salvage value of the Equipment.

13. Events of Default. The following events of default by the Lessee shall give rise to rights on the part of the Lessor described in Section 14:

(a) Default in the payment of Interim Rent or Rent hereunder beyond ten days from the date the Interim Rent or Rent is due; or

(b) Default in the payment or performance of any other liability, obligation, or covenant of the Lessee to the Lessor and the continuance of such default for thirty (30) days after written notice to the Lessee sent by registered or certified mail by the Lessor; or

(c) The termination of existence or business failure of, or an act of bankruptcy by, or the making of an assignment for the benefit of creditors by, the Lessee; or

(d) The institution of bankruptcy, reorganization (under bankruptcy laws), liquidation or receivership proceedings by or against the Lessee and, if instituted against the Lessee, its consent thereto or the pendency of such proceedings for sixty (60) days.

14. Rights of Lessor upon Default of Lessee. Upon the occurrence of any of the events of default described in Section 13 the Lessor may in its discretion do one or more of the following:

(a) Terminate the lease of any or all Equipment upon five (5) days' written notice to the Lessee sent by certified mail;

(b) Whether or not any lease is terminated, take immediate possession of any or all of the Equipment, including substituted parts, accessories or equipment and/or other equipment or property of the Lessor in the possession of the Lessee, wherever situated and for such purpose, enter upon any premises without liability for doing so;

(c) Whether or not any action has been taken under Sections 14 (a) or (b) above, the Lessor may sell any Equipment (with or without the concurrence or request of the Lessee) with the consequences set forth in Section 10 hereof;

(d) Hold, use or lease any Equipment as the Lessor in its sole discretion may decide, and continue to hold the Lessee liable for any deficiency between the Rent received by the Lessor from others and the Rent payable hereunder for the balance of the term of the lease of such Equipment;

(e) Invoke and exercise any other remedy or remedies available to Lessor by law or in equity.

If after default Lessee fails to deliver or converts the Equipment or the Equipment is destroyed, Lessee shall be liable to the Lessor for all unpaid Interim Rent and Rent to the date of such failure to deliver, conversion or destruction of such Equipment plus its Amortized Value at the time and all loss and damages sustained and all costs and expenses incurred by reason of the default. If after default Lessee delivers Equipment to Lessor or if Lessor repossesses Equipment, Lessee shall be liable for and the Lessor may recover from the Lessee all unpaid Interim Rent or Rent to the date of such delivery or repossession plus all loss and damages sustained and all costs and expenses incurred by reason of the default.

15. Equipment To Be and Remain Personal Property. It is the intention and understanding of both Lessor and Lessee that all Equipment shall be and at all times remain personal property. Lessee will obtain and record such instruments and take such steps as may be necessary to prevent any person from acquiring any rights in the Equipment paramount to the rights of the Lessor, by reason of such Equipment being deemed to be real property. If, notwithstanding the intention of the parties and the provisions of this Section 15, any person acquires or claims to have acquired any rights in any Equipment paramount to the rights of the Lessor, by reason of such Equipment being deemed to be real property, and such person seeks in any manner to interfere with the continued quiet enjoyment of the Equipment by the Lessee as contemplated by this Agreement, then the Lessee shall promptly notify the Lessor in writing of such fact (unless the basis for such interference is waived or eliminated to the satisfaction of the Lessor within a period of ninety (90) days from the date it is asserted) and the Lessee shall within ninety (90) days after such notice pay to the Lessor or Lessor's assignee an amount equal to the Amortized Value of the Equipment at the time of payment. The lease of the Equipment shall continue until such payment has been received and shall thereupon terminate; and upon such payment all of Lessor's title to and rights in such Equipment shall automatically pass to the Lessee.

16. Miscellaneous. This Agreement and all rights hereunder shall be governed by the laws of the State of California. Each of the parties hereto acknowledges that the other party shall not by act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder or under any other instrument given hereunder

unless such waiver is given in writing and the same shall be binding to the extent therein provided and only upon the parties signing the same. A waiver on any one occasion shall not be construed as a waiver on any future occasion. No executory agreement shall be effective to change, modify or discharge, in whole or in part, this Master Leasing Agreement, or any other instrument given in connection herewith unless such agreement is in writing and signed by the party to be charged therewith. All rights, remedies and powers granted herein, or in any other instrument given in connection herewith, shall be cumulative and may be exercised singularly or cumulatively.

17. Termination. Either Lessor or Lessee may terminate this Agreement at any time with respect to any equipment not yet leased hereunder by giving at least sixty (60) days' notice in writing to the other party of such termination and setting forth in said notice the termination date. Provided, however, neither such notice nor termination shall affect any transactions entered into or rights created or obligations incurred prior to such termination. In the event of any such termination, Lessee shall arrange for and effect not later than two years from the termination date a termination of the lease of all Equipment hereunder and a sale of all Equipment in the manner and with the consequences as provided in Section 10 hereof. Notwithstanding the provisions of Section 4 hereof, the lease term for all Equipment, the lease of which is terminated under this Section, and the Lessee's obligation to pay Rent shall continue until Lessor receives the proceeds of sale of such Equipment.

18. Purchase of Equipment. After the expiration of the amortization period of any Equipment leased hereunder, and provided that Lessee is not in default hereunder, Lessee may purchase such Equipment at its then fair market value. The lease of such Equipment and Lessee's obligation to pay Rent therefor shall continue until the purchase price has been transmitted to Lessor and shall thereupon terminate. If the parties cannot agree on the fair market value of any such Equipment, they shall follow the appraisal procedure described in Section 1(1)(1) hereof.

19. Investment Tax Credit. The Lessee agrees that it will not with respect to the Equipment claim any investment tax credits as permitted under Section 48(d) of the Federal Internal Revenue Code or take any action which would prevent Lessor from taking such investment tax credits.

20. DISCLAIMER OF WARRANTIES. LESSEE AGREES AND ACKNOWLEDGES THAT ACCEPTANCE FOR LEASE OF THE EQUIPMENT SHALL CONSTITUTE LESSEE'S ACKNOWLEDGEMENT AND AGREEMENT THAT LESSEE HAS FULLY INSPECTED SUCH EQUIPMENT, AND THAT THE EQUIPMENT IS IN GOOD ORDER AND CONDITION AND IS OF THE MANUFACTURE, DESIGN, SPECIFICATIONS AND CAPACITY SELECTED BY LESSEE, THAT LESSEE IS SATISFIED THAT THE SAME IS SUITABLE FOR ITS PURPOSE, THAT LESSOR IS NOT A MANUFACTURER OR ENGAGED IN THE SALE OR DISTRIBUTION OF EQUIPMENT, THAT LESSOR HAS PURCHASED THE EQUIPMENT FROM VENDORS OF LESSEE'S CHOICE, AND THAT LESSOR HAS NOT MADE AND DOES NOT HEREBY MAKE ANY REPRESENTATION, EXPRESS WARRANTY, IMPLIED WARRANTY, OR COVENANT WHATSOEVER WITH RESPECT TO TITLE, MERCHANTABILITY, CONDITION, QUALITY, DURABILITY, SUITABILITY OR FITNESS OF THE EQUIPMENT IN ANY RESPECT OR IN CONNECTION WITH, OR FOR ANY PURPOSE OR USE OF LESSEE, OR ANY OTHER REPRESENTATION, WARRANTY OR COVENANT OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT THERETO. Lessor shall, at Lessee's sole expense take all action reasonably requested by Lessee to make available to Lessee any rights of Lessor under any express or implied warranties of any manufacturer or vendor of the Equipment.

21. Assignment by Lessor of Rights under This Master Leasing Agreement and Mortgages of Equipment to Assignee. Lessee acknowledges notice that Lessor will finance its acquisition and ownership of the Equipment by borrowing and in that connection may, as security, grant to an assignee chattel mortgages on the Equipment, it being understood, however, that such chattel mortgages shall contain a provision to the effect that as long as Lessee is not in default hereunder or under any lease executed pursuant hereto, it shall be entitled to uninterrupted use of the Equipment on the terms herein provided. Lessee also acknowledges notice of the possible assignment by the Lessor to an assignee of the Rents and all other sums due and to become due hereunder, all as security for obligations of the lessor to the assignee. After such assignment the terms and provisions of this Master Leasing Agreement may not be altered, modified or waived without the written consent of such assignee. After such assignment and written notice thereof to the Lessee, the Lessee shall make payment of all Rents and other payments due hereunder to the assignee designated in the notice and such payments shall discharge the obligations of the Lessee to the Lessor hereunder to the extent of such payments. The assignment by the Lessor to the assignee of rights hereunder shall not transfer to the assignee the general title to Equipment or impose on the assignee any of the duties or obligations of the Lessor hereunder, but in all other respects the assignee shall have all the rights of the Lessor hereunder to the extent necessary to realize upon Rents and other monies payable by the Lessee and to protect the assignee's security interest in Equipment resulting from the chattel mortgage.

22. Identification Markings and Numbering. At or prior to the time of the delivery of any Equipment to the Lessee by the Lessor, the Lessee shall cause to be plainly, distinctly, permanently and conspicuously marked, placed or fastened upon each unit of Equipment the following legend in letters not less than one inch in height:

"PROPERTY OF BLC CORPORATION, OWNER AND LESSOR"

and any other legend requested by the Lessor disclosing the interest of any mortgagee in the Equipment. At or prior to the time of delivery of any railroad Equipment to the Lessee, the Lessee shall cause one of its car reporting marks and designated car numbers to be assigned to and marked and/or placed on each side of each unit of Equipment delivered. At all times after delivery the Lessee will cause each unit of Equipment to bear on each side thereof the aforesaid legend and the car number so assigned to it. Such car reporting marks and designated car numbers shall not be changed by the Lessee without the prior written consent of Lessor and any assignee of Lessor. Lessee agrees to file all necessary and appropriate documents with the Interstate Commerce Commission and/or any other authority as may be required under Federal, state or local law, rules or regulations with respect to any such change in car reporting marks and designated car numbers.

23. Leasing of Components. Lessee may lease components of Equipment, no one of which components constitutes a completed unit of Equipment but all of which components shall be assemblable and assembled into a completed unit of Equipment, which Equipment and all components thereof are owned by Lessor and leased to Lessee hereunder. The lease of each component shall be effective from the date of delivery of such component and the Interim Leasing Record for such component shall be dated such date. Where delivery is made on one or more components constituting less than a completed unit of Equipment, Lessee shall cause all such delivered components to be assembled into a completed unit of Equipment within six (6) months, or such longer period as may be agreed upon in writing, after the first day of the calendar month following the first of any such deliveries. On the Completion Date a Final Leasing Record for such unit of Equipment shall be executed and the Interim Leasing Records

for the components of the completed units of Equipment shall be cancelled as of the same date. The Acquisition Cost of the completed unit of Equipment shall be the sum of the Acquisition Cost of the components thereof and all reasonable labor and other expenses to complete the unit of Equipment, and shall be amortized as provided in Section 1(f). Notwithstanding the foregoing, at least the provisions of Section 9 and the first sentence of Section 11 of this Leasing Agreement shall apply as between Lessor and Lessee with respect to all components from the time such components are ordered by Lessor pursuant to a request from Lessee.

IN WITNESS WHEREOF, Lessor and Lessee have duly executed this Master Leasing Agreement as of the day and year first above written.

Form Approved

WDS
Counsel

Attest:

By Lillian J. Hall
Assistant Secretary

BLC CORPORATION, Lessor

By J.P. Brown
Sr Vice President

Attest:

By J.F. O'Donnell
Assistant Secretary

SOUTHERN PACIFIC
TRANSPORTATION COMPANY,
Lessee,

By L.A. Smith
Title Vice President and Treasurer

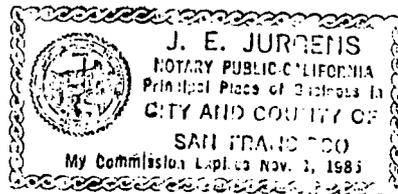
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STATE OF CALIFORNIA)
) SS:
COUNTY OF SAN FRANCISCO)

On this 20th day of December, 1983, before me personally appeared D.A. SMITH, to me personally known, who, being by me duly sworn, says that he is VICE PRESIDENT & TREASURER of Southern Pacific Transportation 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.

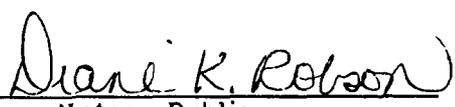

Notary Public

My Commission Expires:

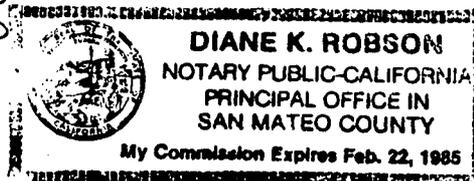


STATE OF CALIFORNIA)
) SS:
COUNTY OF SAN MATEO)

On this 20th day of December, 1983, before me personally appeared C.P. Breure, to me personally known, who, being by me duly sworn, says that he is Sr. Vice-President of BLC Corporation, 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.


Notary Public

My Commission Expires: Feb. 22, 1985



SCHEDULE A

Equipment Description

Twelve used General Motors Corporation, Electro-Motive Division Model SD-45, 6 axel, 3600 horsepower locomotives. Upon completion of reconstruction the locomotives will be rated at 3200 horsepower. The locomotives shall bear the following unit numbers before and after reconstruction:

<u>SP Unit Number</u>	
<u>Old</u>	<u>New</u>
9076	7489
9078	7490
9106	7491
9122	7492
9131	7493
9136	7494
8825	7495
8862	7496
8807	7497
8928	7498
8963	7499
8921	7500

SCHEDULE B

Master Leasing Agreement, dated as of December 1, 1983, between BLC Corporation, as lessor, and Southern Pacific Transportation Company, as lessee.

The Payment Periods specified below shall correspond to the Amortization Commencement Date and the first day of each month thereafter.

The Basic Amortization Amount and the Balance are based on a \$1,000,000 schedule.

<u>Payment Periods</u>	<u>Basic Amortization Amount</u>	<u>Balance</u>
1	4601.66	995398.34
2	4643.94	990754.40
3	4686.60	986067.80
4	4729.66	981338.14
5	4773.12	976565.02
6	4816.97	971748.05
7	4861.22	966886.83
8	4905.89	961980.94
9	4950.96	957029.98
10	4996.45	952033.53
11	5042.35	946991.18
12	5088.68	941902.50
13	5135.43	936767.07
14	5182.61	931584.46
15	5230.23	926354.23
16	5278.28	921075.95
17	5326.77	915749.18
18	5375.71	910373.47
19	5425.10	904948.37
20	5474.95	899473.42
21	5525.25	893948.17
22	5576.01	888372.16
23	5627.24	882744.92
24	5678.94	877065.98
25	5731.12	871334.86
26	5783.77	865551.09
27	5836.91	859714.18
28	5890.54	853823.64
29	5944.66	847878.98
30	5999.27	841879.71
31	6054.39	835825.32
32	6110.01	829715.31
33	6166.15	823549.16
34	6222.80	817326.36

Payment PeriodsBasic Amortization AmountBalance

35	6279.97	811046.39
36	6337.67	804708.72
37	6395.90	798312.82
38	6454.66	791858.16
39	6513.96	785344.20
40	6573.81	778770.39
41	6634.21	772136.18
42	6695.16	765441.02
43	6756.67	758684.35
44	6818.75	751865.60
45	6881.39	744984.21
46	6944.62	738039.59
47	7008.42	731031.17
48	7072.81	723958.36
49	7137.79	716820.57
50	7203.37	709617.20
51	7269.55	702347.65
52	7336.34	695011.31
53	7403.74	687607.57
54	7471.77	680135.80
55	7540.41	672595.39
56	7609.69	664985.70
57	7679.60	657306.10
58	7750.16	649555.94
59	7821.36	641734.58
60	7893.22	633841.36
61	7965.74	625875.62
62	8038.93	617836.69
63	8112.79	609723.90
64	8187.32	601536.58
65	8262.54	593274.04
66	8338.45	584935.59
67	8415.06	576520.53
68	8492.38	568028.15
69	8570.40	559457.75
70	8649.14	550808.61
71	8728.61	542080.00
72	8808.80	533271.20
73	8889.73	524381.47
74	8971.41	515410.06
75	9053.83	506356.23
76	9137.01	497219.22
77	9220.96	487998.26
78	9305.68	478692.58
79	9391.17	469301.41
80	9477.45	459823.96
81	9564.53	450259.43
82	9652.40	440607.03
83	9741.08	430865.95
84	9830.58	421035.37
85	9920.90	411114.47
86	10012.05	401102.42

<u>Payment Periods</u>	<u>Basic Amortization Amount</u>	<u>Balance</u>
87	10104.03	390998.39
88	10196.86	380801.53
89	10290.55	370510.98
90	10385.09	360125.89
91	10480.50	349645.39
92	10576.79	339068.60
93	10673.97	328394.63
94	10772.03	317662.60
95	10871.00	306751.60
96	10970.88	295780.72
97	11071.67	284709.05
98	11173.40	273535.65
99	11276.05	262259.60
100	11379.65	250879.95
101	11484.20	239395.75
102	11589.71	227806.04
103	11696.19	216109.85
104	11803.65	204306.20
105	11912.10	192394.10
106	12021.54	180372.56
107	12131.99	168240.57
108	12243.45	155997.12
109	12355.94	143641.18
110	12469.46	131171.72
111	12584.02	118587.70
112	12699.64	105888.06
113	12816.31	93071.75
114	12934.06	80137.69
115	13052.89	67084.80
116	13172.82	53911.98
117	13293.84	40618.14
118	13415.98	27202.16
119	13539.24	13662.92
120	13662.92	0.00

RIDER NO. 1

JUN 5 1985 -12 15 PM

INTERSTATE COMMERCE COMMISSION

This Rider, dated as of January 1, 1985, amending the Master Leasing Agreement dated as of December 1, 1983 (the "Lease") by and between BLC Corporation ("Lessor") and Southern Pacific Transportation Company ("Lessee").

In consideration of the mutual covenants hereinafter contained, Lessor and Lessee hereby agree as follows:

1. Section 1(a) of the Lease is hereby deleted in its entirety and the following language is inserted therefor:

" 'Equipment' means the following types of property owned or to be owned by the Lessor and leased by the Lessor to the Lessee or ordered by the Lessor for lease to the Lessee as provided herein:

Rehabilitated railroad locomotives as further described in Schedules A and C, new or used gondolas as further described in Schedule D, and such other equipment as may be agreed upon by Lessor and Lessee."

2. The following sentence is hereby added at the end of the first paragraph of Section 1(f) of the Lease:

" 'Monthly Amortization Figure' for any Equipment listed in Schedule C or D hereto for each full month during the lease of such Equipment is an amount equal to the Acquisition Cost of the Equipment divided by the number of months in the following schedule:

<u>Type of Equipment</u>	<u>No. of Months</u>
Equipment listed in Schedule C	120
Equipment listed in Schedule D	120

3. The following sentence is hereby added after the first sentence of Section 1(k) of the Lease:

" 'Amortization Commencement Date' shall mean, for the Equipment described in Schedule C hereto, June 1, 1985."

4. The term "\$10,000,000" contained in the first sentence of Section 2 of the Lease is hereby deleted and the phrase "\$13,500,000" is inserted therefor.

5. The last two sentences of the second paragraph and the last sentence of the third paragraph of Section 10 of the Lease are hereby deleted in their entirety. The following sentence is hereby added at the end of the second paragraph of Section 10 of the Lease:

"If the net proceeds of sale of such Equipment are more than the Amortized Value of such Equipment at the time of the termination of the Lease of such Equipment hereunder, such excess shall be for the account of the Lessor."

6. A new Section 24 is hereby added to the Lease as follows:

"24. Representations, Warranties and Covenants of Lessee. In order to induce Lessor to enter into the transactions contemplated by this Leasing Agreement, the Lessee represents to, and warrants and covenants for the benefit of Lessor that:

(a) Recovery Property. Each item of Equipment (a 'Unit') specified in Schedule C will be as of the Effective Date specified in the Individual Leasing Record (the 'Effective Date') with respect to such Unit 'recovery property' which is '5-year property' in the hands of Lessor within the meaning of Section 168(c)(2)(B) of the Internal Revenue Code of 1954, as amended (the 'Code'). Each Unit will be as of such Effective Date 'new Section 38 property' within the meaning of Section 48(b) of the Code and will constitute 'Section 38' property throughout the Lease Term. Lessee will not act or fail to act in any way during the Amortization Period of each Unit (the "Lease Term") which would cause the Unit to lose such status as specified in this subsection (a).

(b) Useful Life, etc. As of such Effective Date with respect to each Unit specified in Schedule C (i) the amortization period with respect to such Unit is not greater than 80% of the estimated useful life of such Unit and (ii) the estimated fair market value of such Unit at the expiration of the amortization period with respect to such Unit is equal to at least 20% of the Acquisition Cost therefor, without including in such value any increase or decrease for inflation or deflation and after subtracting from such value any cost to Lessor for removal and delivery of possession of such Unit at the end of such period; provided, however, that nothing contained herein shall constitute a representation, warranty or guarantee that any Unit will actually have in the future any particular useful life or residual value.

(c) Placed in Service. Each Unit listed in Schedule C shall be 'placed in service' by Lessee for purposes of Sections 46, 48 and 168 of the Code not more than 3 months prior to the Effective Date with respect to such Unit. The 'original use' of each Unit and each part thereof within the meaning of Sections 48(b) and 167(c)(2) of the Code and for purposes of Section 168 of the Code will be considered to commence with Lessor (assuming that Lessor will be treated as the owner of the Equipment for Federal income tax purposes).

(d) Indemnified Losses. If as a result of any act or failure to act by the Lessee, or if as a result of any breach, inaccuracy or incorrectness of any representation, warranty, covenant or agreement of the Lessee contained in this Leasing Agreement, any bankruptcy of the Lessee or other proceedings for the relief of debtors involving the Lessee or any damage to, destruction of, theft, requisition or taking of, or repair or replacement of any Unit or any part thereof, Lessor shall lose, shall not have, shall lose the right to claim, shall not claim, shall suffer a disallowance of, or shall be required to recapture all or any portion of the ACRS deductions and the Investment Tax Credit (any of the events described in this paragraph being referred to hereinafter as a 'Loss'), then the Lessee will pay to Lessor an amount or amounts which shall be equal to the sum of the aggregate additional Federal income taxes payable by Lessor as a result of such Loss, any interest, penalties or additions to tax imposed by the Internal Revenue Service as a result of such Loss or the contest of such Loss and all additional Federal income taxes required to be paid by Lessor with respect to the receipt of such amount or amounts."

(e) Contest Provisions. If the Internal Revenue Service proposes an adjustment in any item of income, deduction, or credit of the Lessor which if agreed to by the Lessor would result in a Loss for which the Lessee would be required to indemnify the Lessor pursuant to subsection (d) hereof in an aggregate amount in excess of \$20,000, the Lessor shall within 30 days notify the Lessee in writing of such proposed adjustment, describing such proposed adjustment in reasonable detail; provided, however, that failure to give such notice shall not relieve the Lessee of its obligations to indemnify the Lessor under this Agreement, unless such failure prevents the Lessee from exercising its contest rights under this subsection (e). If so requested by the Lessee in writing within 30 days after the date of such notice and if Lessee at the same time provides the Lessor an opinion of independent counsel to the Lessee reasonably acceptable to the Lessor ("Tax Counsel") that a reasonable basis in law and in fact in favor of allowance of the item proposed to be adjusted exists, the Lessor shall contest the proposed adjustment, including contest in a court of competent jurisdiction if the Lessee shall so request. The Lessor shall not pay the proposed adjustment until 30 days have elapsed from the time it has given the notice referred to in the preceding sentence. The Lessor shall determine with Lessee's consent the nature of all action to be taken to contest such proposed adjustment including (i) whether any such action shall initially be by way of judicial proceedings or administrative proceedings, or both, (ii) whether any such proposed adjustment shall be contested by resisting payment thereof or by paying the same and seeking a refund thereof, and (iii) in undertaking any judicial action with respect to such proposed adjustment, the court or other judicial body before which such action shall be commenced. If at any time, whether before or after commencing to take any action required by this subsection (e), the Lessor declines or fails to take required action to permit adjudication on the merits in a forum selected by the parties with respect to all or any portion of a proposed adjustment, the Lessor shall so advise the Lessee in writing, and the Lessee shall be relieved of its obligation to indemnify the Lessee under this Agreement with respect to all or such portion of the proposed adjustment as may be specified in such notice.

Notwithstanding the foregoing, the Lessor shall not be required to take any action pursuant to this subsection (e) unless and until the Lessee shall have agreed to pay to the Lessor on demand all reasonable costs and expenses which the Lessor may incur in connection with contesting any proposed adjustment (including reasonable fees and disbursements of Lessor's counsel which counsel shall have been approved by Lessee). If the Lessor determines to contest any adjustment by paying the additional taxes (including the amount of interest, fines, penalties, or additions to tax but excluding late filing and fraud fines, penalties, and additions to tax and late payment and negligence fines, penalties, and additions to tax caused solely by acts, failures to act, or omissions by Lessor) and suing for a refund, the Lessee shall lend to the Lessor upon receipt of a written demand therefor an amount equal to such additional taxes. Upon receipt by the Lessor of a refund of any amounts paid by it based on an adjustment in respect of which it shall have been paid an equivalent amount by the Lessee, the Lessor shall pay to the Lessee an amount which shall equal the amount of such refund, plus any interest received by the Lessor on such amount from the taxing authority.

In the case of actions or proceedings pursuant to this subsection (e), the Lessee shall be obligated to pay to the Lessor the amount specified herein within 20 days after the Lessor has taken all the action that it has agreed in this subsection (e) to take and has notified the Lessee in writing of the final administrative or judicial determination with respect to the adjustment in question.

7. Schedule B is hereby deleted in its entirety and the attached Schedule B is hereby inserted therefor. In addition, the attached Schedules C and D are hereby added to the Lease.

8. This Rider shall be effective as of the date hereof for all Equipment under lease and to be acquired hereafter except that Section 5 of this Rider shall be effective as of December 1, 1983. Except as hereinabove set forth, all terms and conditions of the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Rider to be executed by their duly authorized and appointed officers as of the day and year first above written.

Attest:

William O. Powell
Secretary

BLC CORPORATION, Lessor

Bernard Goodman
President

Attest:

By A. F. Adornell

Title ASSISTANT SECRETARY

SOUTHERN PACIFIC TRANSPORTATION COMPANY, Lessee

By J. H. Johnson

Title Vice President - Finance

Form Approved
CAS
Counsel

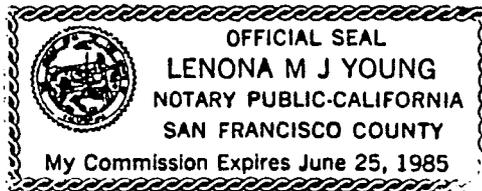
A C K N O W L E D G E M E N T

STATE OF CALIFORNIA)
) SS:
COUNTY OF SAN FRANCISCO)

On this 7th day of MAY, 1985, before me personally appeared E.L. JOHNSON, to me personally known, who, being by me duly sworn, says that he is VICE PRESIDENT-FINANCE of Southern Pacific Transportation 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.

Lenona M. J. Young
Notary Public

My Commission Expires:



STATE OF CALIFORNIA)
) SS:
COUNTY OF SAN MATEO)

On this 30th day of May, 1985, before me personally appeared Bernard Goldman, to me personally known, who, being by me duly sworn, says that he is President of BLC Corporation, 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.



Natasha J. Ilyin
Notary Public

My Commission Expires: May 23, 88

SCHEDULE B

Master Leasing Agreement, dated as of December 1, 1983,
as amended by Rider No. 1 dated as of January 1, 1985
between BLC Corporation, as Lessor, and
Southern Pacific Transportation Company, as Lessee.

The Payment Periods specified below shall correspond to the Amortization Commencement Date and the first day of each month thereafter.

The Basic Amortization Amount and the Balance are based on a \$1,000,000 schedule.

END-OF PERIOD	TERMINATION VALUE (\$)	AMORTIZATION	LEASE RATE
1	994,853.37	5,146.63	9,187.50
2	989,659.46	5,193.91	9,140.22
3	984,417.83	5,241.63	9,092.50
4	979,128.04	5,289.79	9,044.34
5	973,789.65	5,338.39	8,995.74
6	968,402.21	5,387.44	8,946.69
7	962,965.28	5,436.93	8,897.20
8	957,478.39	5,486.89	8,847.24
9	951,941.09	5,537.30	8,796.83
10	946,352.92	5,588.17	8,745.96
11	940,713.41	5,639.51	8,694.62
12	935,022.03	5,691.33	8,642.80
13	929,278.47	5,743.61	8,590.52
14	923,482.09	5,796.38	8,537.75
15	917,632.45	5,849.64	8,484.49
16	911,729.07	5,903.38	8,430.75
17	905,771.45	5,957.62	8,376.51
18	899,759.10	6,012.35	8,321.78
19	893,691.51	6,067.59	8,266.54
20	887,568.17	6,123.34	8,210.79
21	881,388.57	6,179.60	8,154.53
22	875,152.20	6,236.37	8,097.76
23	868,858.53	6,293.67	8,040.46
24	862,507.04	6,351.49	7,982.64
25	856,097.19	6,409.85	7,924.28
26	849,628.45	6,468.74	7,865.39
27	843,100.28	6,528.17	7,805.96
28	836,512.13	6,588.15	7,745.98
29	829,863.46	6,648.67	7,685.46
30	823,153.70	6,709.76	7,624.37
31	816,382.29	6,771.41	7,562.72
32	809,548.67	6,833.62	7,500.51
33	802,652.27	6,896.40	7,437.73
34	795,692.51	6,959.76	7,374.37
35	788,668.80	7,023.71	7,310.42
36	781,580.54	7,088.24	7,245.89
37	774,427.20	7,153.36	7,180.77
38	767,208.12	7,219.08	7,115.05
39	759,922.71	7,285.41	7,048.72
40	752,570.37	7,352.34	6,981.79
41	745,150.48	7,419.89	6,914.24
42	737,662.40	7,488.06	6,846.07

SCHEDULE B
PAGE TWO

END-OF PERIOD -----	TERMINATION VALUE (\$) -----	AMORTIZATION -----	LEASE RATE -----
43	730,105.56	7,556.86	6,777.27
44	722,479.27	7,626.29	6,707.84
45	714,782.92	7,696.35	6,637.78
46	707,015.86	7,767.06	6,567.07
47	699,177.44	7,838.42	6,495.71
48	691,267.00	7,910.44	6,423.69
49	683,283.89	7,983.11	6,351.02
50	675,227.43	8,056.46	6,277.67
51	667,096.95	8,130.48	6,203.65
52	658,891.77	8,205.18	6,128.95
53	650,611.21	8,280.56	6,053.57
54	642,254.57	8,356.64	5,977.49
55	633,821.15	8,433.42	5,900.71
56	625,310.25	8,510.90	5,823.23
57	616,721.16	8,589.09	5,745.04
58	608,053.16	8,668.00	5,666.13
59	599,305.52	8,747.64	5,586.49
60	590,477.51	8,828.01	5,506.12
61	581,568.39	8,909.12	5,425.01
62	572,577.42	8,990.97	5,343.16
63	563,503.65	9,073.57	5,260.56
64	554,346.91	9,156.94	5,177.19
65	545,105.84	9,241.07	5,093.06
66	535,779.87	9,325.97	5,008.16
67	526,368.22	9,411.65	4,922.48
68	516,870.10	9,498.12	4,836.01
69	507,284.71	9,585.39	4,748.74
70	497,611.26	9,673.45	4,660.68
71	487,848.93	9,762.33	4,571.80
72	477,996.91	9,852.02	4,482.11
73	468,054.38	9,942.53	4,391.60
74	458,020.50	10,033.88	4,300.25
75	447,894.43	10,126.07	4,208.06
76	437,675.33	10,219.10	4,115.03
77	427,362.34	10,312.99	4,021.14
78	416,954.60	10,407.74	3,926.39
79	406,451.24	10,503.36	3,830.77
80	395,851.33	10,599.86	3,734.27
81	385,154.13	10,697.25	3,636.88
82	374,358.60	10,795.53	3,538.60
83	363,463.89	10,894.71	3,439.42
84	352,469.08	10,994.81	3,339.32

SCHEDULE B
PAGE THREE

END-OF PERIOD -----	TERMINATION VALUE (\$) -----	AMORTIZATION -----	LEASE RATE -----
85	341,373.26	11,095.82	3,238.31
86	330,175.50	11,197.76	3,136.37
87	318,874.86	11,300.64	3,033.49
88	307,470.39	11,404.47	2,929.66
89	295,961.14	11,509.25	2,824.88
90	284,346.15	11,614.99	2,719.14
91	272,624.45	11,721.70	2,612.43
92	260,795.06	11,829.39	2,504.74
93	248,856.98	11,938.08	2,396.05
94	236,809.22	12,047.76	2,286.37
95	224,650.77	12,158.45	2,175.68
96	212,380.62	12,270.15	2,063.98
97	199,997.74	12,382.88	1,951.25
98	187,501.09	12,496.65	1,837.48
99	174,889.63	12,611.46	1,722.67
100	162,162.30	12,727.33	1,606.80
101	149,318.04	12,844.26	1,489.87
102	136,355.77	12,962.27	1,371.86
103	123,274.41	13,081.36	1,252.77
104	110,072.86	13,201.55	1,132.58
105	96,750.02	13,322.84	1,011.29
106	83,304.78	13,445.24	888.39
107	69,736.01	13,568.77	765.36
108	56,042.58	13,693.43	640.70
109	42,223.34	13,819.24	514.89
110	28,277.14	13,946.20	387.93
111	14,202.81	14,074.33	259.80
112	.00	14,202.81	131.32
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		1,000,000.00	605,422.56

SCHEDULE C

Equipment Description

Three rebuilt General Motors Corporation, Electro-Motive Division Model SD-45, 6 axel, 3600 horsepower locomotives. The locomotives shall bear the following unit numbers after reconstruction:

SP Unit Number

7537

7538

7539

SCHEDULE D

Equipment Description

One hundred, fifty-two foot six inch, plain gondolas *

SP Unit Numbers

7101-7200

RIDER NO. 2

This Rider, dated as of February 1, 1986, amending the Master Leasing Agreement dated as of December 1, 1983 (the "Lease"), by and between BLC Corporation ("Lessor") and Southern Pacific Transportation Company ("Lessee").

In consideration of the mutual covenants hereinafter contained, Lessor and Lessee hereby agree as follows:

1. Section 1(a) of the Lease is hereby deleted in its entirety and the following language is inserted therefor:

"Equipment" means the following types of property owned or to be owned by the Lessor and leased by the Lessor to the Lessee or ordered by the Lessor for lease to the Lessee as provided herein:

- (i) Rehabilitated railroad locomotives as further described in Schedules A and C;
- (ii) New or used gondolas as further described in Schedule D;
- (iii) Maintenance of way equipment;
- (iv) Telephone and communications equipment; and
- (v) Such other equipment as may be agreed upon by Lessor and Lessee."

2. The last sentence of the first paragraph of Section 1(f) of the Lease is hereby deleted in its entirety and the following is inserted therefor:

"Monthly Amortization Figure" for any equipment listed in Schedule C or Schedule D hereto, or for maintenance of way equipment or telephone and communications equipment, for each full month during the lease of such Equipment is an amount equal to the Acquisition Cost of the Equipment divided by the number of months in the following schedule:

<u>Type of Equipment</u>	<u>Number of Months</u>
Maintenance of Way Equipment	72
Telephone and Communications Equipment	72
Equipment listed in Schedule C	120
Equipment listed in Schedule D	120"

3. The term "\$13,500,000" contained in the first sentence of Section 2 of the Lease is hereby deleted and the phrase "\$25,000,000" is inserted therefore.

4. This Rider is effective as of February 1, 1986.

5. Except as hereinabove set forth, all the terms and conditions of the Lease, as previously amended by Rider No. 1, shall remain in full force and effect.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Rider to be executed by their duly authorized and appointed officers as of the day and year first above written.

Attest:

By

Will O'Connell
Secretary

BLC CORPORATION, Lessor

By

Edward Goodman
President

Attest:

By

W. J. O'Connell
Title ASSISTANT SECRETARY

SOUTHERN PACIFIC TRANSPORTATION COMPANY, Lessee

By

W. J. Johnson
Title Vice President - Finance

Form Approved
CAS
Counsel

AUG 7 1986 12 35 PM

RIDER NO. 3

INTERSTATE COMMERCE COMMISSION

This Rider, dated as of July 1, 1986, amending the Master Leasing Agreement dated as of December 1, 1983, as amended (the "Lease"), by and between BLC Corporation ("Lessor") and Southern Pacific Transportation Company ("Lessee").

In consideration of the mutual covenants hereinafter contained, Lessor and Lessee hereby agree as follows:

1. Section 1(a) of the Lease is hereby deleted in its entirety and the following language is inserted therefor:

"Equipment" means the following types of property owned or to be owned by the Lessor and leased by the Lessor to the Lessee or ordered by the Lessor for lease to the Lessee as provided herein:

- (i) Rehabilitated railroad locomotives as further described in Schedules A, C, E and F;
- (ii) New or used gondolas as further described in Schedule D;
- (iii) Maintenance of way equipment;
- (iv) Telephone and communications equipment;
- (v) Enclosed bi-level superstructures as further described in Schedule G; and
- (vi) Such other equipment as may be agreed upon by Lessor and Lessee."

2. The last sentence of the first paragraph of Section 1(f) of the Lease is hereby deleted in its entirety and the following is inserted therefor:

"Monthly Amortization Figure" for any equipment listed in Schedules C, D, E, F or G hereto, or for maintenance of way equipment or telephone and communications equipment, for each full month during the lease of such Equipment is an amount equal to the Acquisition Cost of the Equipment divided by the number of months in the following schedule:

<u>Type of Equipment</u>	<u>Number of Months</u>
Maintenance of Way Equipment	72
Telephone and Communications Equipment	72
Equipment listed in Schedules C, D and E	120
Equipment listed in Schedule F	108
Equipment listed in Schedule G	180"

3. The term "\$25,000,000" contained in the first sentence of Section 2 of the Lease is hereby deleted and the phrase "\$45,000,000" is inserted therefore.

4. This Rider is effective as of July 1, 1986.

5. Except as hereinabove set forth, all the terms and conditions of the Lease, as previously amended by Riders Nos. 1 and 2, shall remain in full force and effect.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Rider No. 3 to be executed by their duly authorized and appointed officers as of the day and year first above written.

Form Approved
CAS
Counsel

Attest:

By

[Signature]
Secretary

BLC CORPORATION, Lessor

By

[Signature]
President

Attest:

By

[Signature]
Title ASSISTANT SECRETARY

SOUTHERN PACIFIC TRANSPORTATION
COMPANY, Lessee

By

[Signature]
Title Vice President - Finance

SCHEDULE E

Equipment Description

Six (6) rebuilt General Motors Corporation, Electro-Motive Division Model SD-45, 6 axel, 3600 horsepower locomotives. The locomotives shall bear the following numbers after reconstruction:

SP Unit Number

7561
7562
7563
7564
7565
7566

SCHEDULE F

Equipment Description

Twenty-six (26) rebuilt General Motors Corporation, Electro-Motive Division Model SD-45, 6 axel, 3600 horsepower locomotives. The locomotives shall bear the following numbers after reconstruction:

SP Unit Number

6767 - 6792

SCHEDULE G

Equipment Description

One hundred and fifty (150) enclosed bi-level superstructures with W&K end doors. The superstructures shall bear the following numbers:

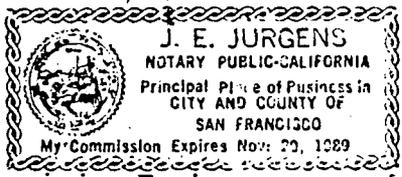
SP Unit Number

80971 - 81120

A C K N O W L E D G E M E N T

STATE OF CALIFORNIA)
) SS:
COUNTY OF SAN FRANCISCO)

On this 15th day of July, 1986, before me personally appeared E. L. JOHNSON, to me personally known, who, being by me duly sworn, says that he is VICE PRESIDENT AND FINANCE of Southern Pacific Transportation Company, that said 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.



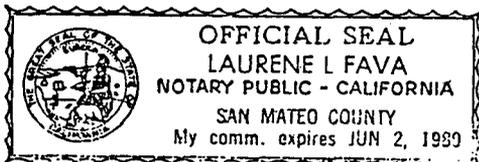
My Commission Expires: 11-20-89

[Signature]

Notary Public

STATE OF CALIFORNIA)
) SS:
COUNTY OF SAN MATEO)

On this 24th day of July, 1986, before me personally appeared Bernard Goldman, to me personally known, who, being by me duly sworn, says that he is President of BLC Corporation, that said 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.



My Commission Expires: June 2, 1989

[Signature]

Notary Public

INDIVIDUAL LEASING RECORD
 FEB 8 1985

b [] [] - [] [] c [] [] [] []

D-1 ILR NO. <u>Corrected 4 cr</u>		E <input type="checkbox"/> NEW <input type="checkbox"/> USED		AMORT TYPE		Effective Date of Lease <u>2/1/85</u>	
S1 Make of Equipment		S2 Model Year		S4 Model		Engine No <u>9136 (7494)</u>	
TYPE OF EQUIPMENT OR OTHER DETAILS <u>Rehabilitation and reconstruction charges and one (1) locomotive hulk.</u>							
To be registered for highway use: Yes <input type="checkbox"/> No <input type="checkbox"/>		Location of Equipment <u>Sacramento</u>		CITY <u>Sacramento</u> COUNTY		STATE <u>California</u>	

FOR FEDERAL USE TAX ON HIGHWAY MOTOR VEHICLES			ACQUISITION COST			
NET WEIGHT	NO OF AXLES	CATEGORY (Letter from Form 2290)	(1) Equipment \$ <u>646,424.26</u>	(2) Body \$ <u>-----</u>	(3) Other Charges \$ <u>(111.12)</u>	Acquisition Cost (1+2+3) \$ <u>646,313.14</u>
Replacing <input type="checkbox"/> New ILR <input type="checkbox"/> Revising <input checked="" type="checkbox"/>			Date of Original ILR OR Last Revision <u>5/4/84</u>			
PERIOD IN MONTHS FOR FULL AMORTIZATION <u>XXX-112</u>			MONTHLY AMORTIZATION FIGURE \$ <u>Per Schedule B</u>			

Monthly rent: For XXX 112 months commencing the first day of February 1985 equals the monthly amortization figure plus an amount computed as provided in the Leasing Agreement. Such rate is subject to periodic adjustments if so provided in the Leasing Agreement.

Unit to be fully amortized on last day of XXXXXX May 1994

Monthly rent for each month after fully amortized equals whichever of the following is provided in the Leasing Agreement:
 A) _____ % of the original acquisition cost or B) \$ _____ per month.

IF GENERAL ELECTION FOR INVESTMENT CREDIT IN FORCE, COMPLETE THIS SECTION

If property subject to investment credit? Yes _____ or No (If yes, complete the following)

Date on which possession of this property is transferred to Lessee _____

If _____ market value on such date is the same as acquisition cost check here
 or _____ a fair market value on such date. \$ _____

CLASS OF RECOVERY PROPERTY

1. 3 YEAR PROPERTY
 2. 5 YEAR PROPERTY
 3. 10 YEAR PROPERTY
 4. 15 YEAR REAL PROPERTY
 5. 15 YEAR PUBLIC UTILITY PROPERTY

The undersigned Lessor hereby leases to the undersigned Lessee, and the Lessee acknowledges delivery to it in good condition of, the Equipment, with related equipment, described in the above Individual Leasing Record. The Lessee agrees to pay the rent set forth above. The covenants, terms and conditions of this lease are those appearing in the Leasing Agreement between the undersigned Lessor and Lessee dated 12/1/83, which covenants, terms and conditions are hereby incorporated by reference.

Lessor Southern Pacific Transportation Company Lessee

By [Signature] Authorized Signature By [Signature] Authorized Signature

M MONTHLY

CHECK NO. Wire transfer DATE OF CHECK 2-1-85 NO OF ILR 10 AMOUNT \$ (111.12)

ENTD JAN 15 1984

FINAL INDIVIDUAL LEASING RECORD

Effective Date of Lease 5/1/84

I.L.R. No. 4 CR		E <input type="checkbox"/> NEW <input type="checkbox"/> USED		AMORT TYPE		VENDOR	
S1 Make of Equipment				S2 Model Year	S4 Model	Engine No. 9136 (7494)	S3 Serial (V.I.D.) No.

OF EQUIPMENT OR OTHER DETAILS O
Rehabilitation and reconstruction charges and one (1) locomotive hulk.

To be registered for highway use: Yes No

Location of Equipment: CITY **Sacramento** COUNTY **Sacramento** STATE **California**

FOR FEDERAL USE TAX ON HIGHWAY MOTOR VEHICLES:			ACQUISITION COST			
NET WEIGHT	NO. OF AXLES	CATEGORY (Letter from Form 2290)	(1) Equipment \$ 671,400.00	(2) Body \$ -----	(3) Other Charges \$ 572.00	Acquisition Cost (1+2+3) \$ 671,972.00
Replacing <input type="checkbox"/> New ILR <input type="checkbox"/> Revising <input type="checkbox"/>			Date of Original ILR OR Last Revision			
PERIOD IN MONTHS FOR FULL AMORTIZATION 120			MONTHLY AMORTIZATION FIGURE \$ PER SCHEDULE B			

Monthly rent: For **120** months commencing the first day of **JUNE May** 19 **84** equals the monthly amortization figure plus an amount computed as provided in the Leasing Agreement. Such rate is subject to periodic adjustments if so provided in the Leasing Agreement.

Unit to be fully amortized on last day of **April May** 19 **94**.

Monthly rent for each month after fully amortized equals whichever of the following is provided in the Leasing Agreement:
 A) _____ % of the original acquisition cost or B) \$ _____ per month.

IF GENERAL ELECTION FOR INVESTMENT CREDIT IN FORCE, COMPLETE THIS SECTION

If property subject to investment credit? Yes _____ or No **X** (If yes, complete the following)

Date on which possession of this property is transferred to Lessee _____

If fair market value on such date is the same as acquisition cost check here

ate fair market value on such date. \$ _____

CLASS OF RECOVERY PROPERTY		ALTERNATE G AND H	
1. <input type="checkbox"/> 3 YEAR PROPERTY	3. <input type="checkbox"/> 10 YEAR PROPERTY	H	\$ _____
2. <input checked="" type="checkbox"/> 5 YEAR PROPERTY	4. <input type="checkbox"/> 15 YEAR REAL PROPERTY	G	\$ _____
5. <input type="checkbox"/> 15 YEAR PUBLIC UTILITY PROPERTY			

The undersigned Lessor hereby leases to the undersigned Lessee, and the Lessee acknowledges delivery to it in good condition of, the Equipment, with related equipment, described in the above Individual Leasing Record. The Lessee agrees to pay the rent set forth above. The covenants, terms and conditions of this lease are those appearing in the Leasing Agreement between the undersigned Lessor and Lessee dated **12/1/83**, which covenants, terms and conditions are hereby incorporated by reference.

Lessor **Southern Pacific Transportation Company**, Lessee

By *[Signature]* Authorized Signature By *[Signature]* Authorized Signature

M MONTHLY 1

CHECK NO. **wire** DATE OF CHECK **5/4/84** NO OF I.L.R.s **10** AMOUNT \$ **572.00**

L.R. SL 10/82 **317,680.00** COPY FOR LESSOR - MAIL TO LESSOR

INTERIM ¹²
INDIVIDUAL LEASING RECORD

Effective Date of Lease 2/14/84

VENDOR

Engine No. 9136 (7494) S3 Serial (V.I.D.) No.

I.L.R. No. 4001 E 1 NEW 1 USED

AMORT TYPE

S1 Make of Equipment S2 Model Year S4 Model

TYPE OF EQUIPMENT OR OTHER DETAILS Rehabilitation and reconstruction charges

To be registered for highway use: Yes No Location of Equipment CITY COUNTY STATE
Sacramento, Sacramento California

FOR FEDERAL USE TAX ON HIGHWAY MOTOR VEHICLES: 60,816.00 ACQUISITION COST 341,255.00

NET WEIGHT	NO. OF AXLES	CATEGORY (Letter from Form 2290)	(1) Equipment	(2) Body	(3) Other Charges	Acquisition Cost (1+2+3)
			\$ XXX	\$ ---	\$ <u>280,439</u>	\$ <u>280,439</u>

Replacing New ILR Revising Date of Original ILR or Last Revision

PERIOD IN MONTHS FOR FULL AMORTIZATION MONTHLY AMORTIZATION FIGURE \$

Monthly rent: For _____ months commencing the first day of _____ 19____ equals the monthly amortization figure plus an amount computed as provided in the Leasing Agreement. Such rate is subject to periodic adjustments if so provided in the Leasing Agreement.

Unit to be fully amortized on last day of _____ 19____.

Monthly rent for each month after fully amortized equals whichever of the following is provided in the Leasing Agreement:
A) _____ % of the original acquisition cost or B) \$ _____^R per month.

IF GENERAL ELECTION FOR INVESTMENT CREDIT IN FORCE, COMPLETE THIS SECTION

If property subject to investment credit? Yes _____ or No _____ (If yes, complete the following)

Date on which possession of this property is transferred to Lessee _____

If fair market value on such date is the same as acquisition cost check here or fair market value on such date, \$ _____

ALTERNATE G AND H

H \$ _____

G \$ _____

USEFUL LIFE CATEGORY (Check One)

3 YEARS OR MORE BUT LESS THAN 5 YEARS 1

5 YEARS OR MORE BUT LESS THAN 7 YEARS 2

7 YEARS OR MORE 3

LESS THAN 3 YEARS 0

The undersigned Lessor hereby leases to the undersigned Lessee, and the Lessee acknowledges delivery to it in good condition of, the Equipment, with related equipment, described in the above Individual Leasing Record. The Lessee agrees to pay the rent set forth above. The covenants, terms and conditions of this lease are those appearing in the Leasing Agreement between the undersigned Lessor and Lessee dated 12/1/83 which covenants, terms and conditions are hereby incorporated by reference.

Lessor Southern Pacific Transportation Company Lessee

By [Signature] Authorized Signature By [Signature] Authorized Signature

M MONTHLY 1

CHECK NO. 6118-E DATE OF CHECK 2-14-84 NO. OF I.L.R.s 8 AMOUNT \$ 280,439.00

INDIVIDUAL LEASING RECORD

ENT'D FEB 8 1985

Effective Date of Lease 2/1/85

D I.L.R. No. Corrected 5 CR	E <input type="checkbox"/> NEW <input type="checkbox"/> USED	AMORT TYPE	VENDOR	
S1 Make of Equipment	S2 Model Year	S4 Model	Engine No 9131 (7493)	S3 Serial (V.I.D.) No.

TYPE OF EQUIPMENT OR OTHER DETAILS O
Rehabilitation and reconstruction charges. And one (1) locomotive hulk.

To be registered for Highway use: Yes <input type="checkbox"/> No <input type="checkbox"/>	Location of Equipment Sacramento	CITY COUNTY STATE Sacramento Sacramento California
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FOR FEDERAL USE TAX ON HIGHWAY MOTOR VEHICLES			ACQUISITION COST			
NET WEIGHT	NO. OF AXLES	CATEGORY (Letter from Form 2290)	(1) Equipment \$ 653,524.64	(2) Body \$ -----	(3) Other Charges \$ (96.99)	Acquisition Cost (1+2+3) \$ 653,427.65

Replacing New ILR Revising
 Equipment No. _____ Date of Original ILR OR Last Revision May 4, 1984

PERIOD IN MONTHS FOR FULL AMORTIZATION XXX 112 MONTHLY AMORTIZATION FIGURE \$ Per Schedule B

Monthly rent: For XXX 112 months commencing the first day of February 19 85 equals the monthly amortization figure plus an amount computed as provided in the Leasing Agreement. Such rate is subject to periodic adjustments if so provided in the Leasing Agreement.

Unit to be fully amortized on last day of XXXXX May 19 94

Monthly rent for each month after fully amortized equals whichever of the following is provided in the Leasing Agreement:
A) _____ % of the original acquisition cost or B) \$ _____ per month.

IF GENERAL ELECTION FOR INVESTMENT CREDIT IN FORCE, COMPLETE THIS SECTION ALTERNATE G AND H
If property subject to investment credit? Yes _____ or No X (If yes, complete the following)
Date on which possession of this property is transferred to Lessee _____

If fair market value on such date is the same as acquisition cost check here
If not, state fair market value on such date. \$ _____

CLASS OF RECOVERY PROPERTY

1. <input type="checkbox"/> 3 YEAR PROPERTY	3. <input type="checkbox"/> 10 YEAR PROPERTY
2. <input checked="" type="checkbox"/> 5 YEAR PROPERTY	4. <input type="checkbox"/> 15 YEAR REAL PROPERTY
5. <input type="checkbox"/> 15 YEAR PUBLIC UTILITY PROPERTY	

The undersigned Lessor hereby leases to the undersigned Lessee, and the Lessee acknowledges delivery to it in good condition of, the Equipment, with related equipment, described in the above Individual Leasing Record. The Lessee agrees to pay the rent set forth above. The covenants, terms and conditions of this lease are those appearing in the Leasing Agreement between the undersigned Lessor and Lessee dated 12/1/83, which covenants, terms and conditions are hereby incorporated by reference.

By [Signature] Lessor Southern Pacific Transportation Company Lessee
By [Signature] Authorized Signature

M MONTHLY 1
CHECK NO. Wire transfer DATE OF CHECK 2-1-85 NO OF I.L.R. 10 AMOUNT \$ 96.99

FINAL INDIVIDUAL LEASING RECORD

ENTD JAN 15 1985

Effective Date of Lease	5/1/84
VENDOR	
Engine No.	9131 (7493)
SJ Serial (V.I.D.) No	

ILR No	5	CR	E	<input type="checkbox"/> NEW	<input type="checkbox"/> USED	AMORT	TYPE
Make of Equipment			S2 Model Year	S4 Model			

TYPE OF EQUIPMENT OR OTHER DETAILS **O**
Rehabilitation and reconstruction charges. And one (1) locomotive hulk.

To be registered for highway use: Yes <input type="checkbox"/> No <input type="checkbox"/>	Location of Equipment	CITY	COUNTY	P	STATE
	Sacramento	Sacramento			California

FOR FEDERAL USE TAX ON HIGHWAY MOTOR VEHICLES			ACQUISITION COST			
NET WEIGHT	NO. OF AXLES	CATEGORY (Letter from Form 2290)	(1) Equipment	(2) Body	(3) Other Charges	Acquisition Cost (1+2+3)
			\$679,256.00	\$ ----	\$ 97.00	\$679,353.00

Replacing <input type="checkbox"/> New ILR <input type="checkbox"/> Revising <input type="checkbox"/>	Date of Original ILR OR Last Revision
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PERIOD IN MONTHS FOR FULL AMORTIZATION	120	MONTHLY AMORTIZATION FIGURE \$	PER SCHEDULE B
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Monthly rent: For 120 months commencing the first day of JUNE MAY 1984 equals the monthly amortization figure plus an amount computed as provided in the Leasing Agreement. Such rate is subject to periodic adjustments if so provided in the Leasing Agreement.

Unit to be fully amortized on last day of April MAY 1994

Monthly rent for each month after fully amortized equals whichever of the following is provided in the Leasing Agreement:
 A) _____ % of the original acquisition cost or B) \$ _____ per month.

IF GENERAL ELECTION FOR INVESTMENT CREDIT IN FORCE. COMPLETE THIS SECTION

If property subject to investment credit? Yes _____ or No X (If yes, complete the following)

Date on which possession of this property is transferred to Lessee _____

Market value on such date is the same as acquisition cost check here <input type="checkbox"/>	ALTERNATE G AND H
State fair market value on such date. \$ _____	H \$ _____
	G \$ _____

1. <input type="checkbox"/> 3 YEAR PROPERTY	CLASS OF RECOVERY PROPERTY	3. <input type="checkbox"/> 10 YEAR PROPERTY
2. <input checked="" type="checkbox"/> 5 YEAR PROPERTY	5. <input type="checkbox"/> 15 YEAR PUBLIC UTILITY PROPERTY	4. <input type="checkbox"/> 15 YEAR REAL PROPERTY

The undersigned Lessor hereby leases to the undersigned Lessee, and the Lessee acknowledges delivery to it in good condition of, the Equipment, with related equipment, described in the above Individual Leasing Record. The Lessee agrees to pay the rent set forth above. The covenants, terms and conditions of this lease are those appearing in the Leasing Agreement between the undersigned Lessor and Lessee dated 12/1/83, which covenants, terms and conditions are hereby incorporated by reference.

Lessor Southern Pacific Transportation Company Lessee

By [Signature] Authorized Signature By [Signature] Authorized Signature

M MONTHLY 1	CHECK NO.	WIRE	DATE OF CHECK	5/4/84	NO OF ILRS	10	AMOUNT \$	97.00
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INTD 177 2 1984

INDIVIDUAL LEASING RECORD

b [] [] [] [] c [] [] [] []

Effective Date of Lease 2/14/84

D I.L.R. No. 5 41	E 1 NEW 2 USED	AMORT TYPE F 1	VENDOR
S1 Make of Equipment	S2 Model Year	S4 Model	Engine No. 9131 (7493)
			S3 Serial (V.I.D.) No.

OF EQUIPMENT OR OTHER DETAILS
Rehabilitation and reconstruction charges

To be registered for highway use: Yes <input type="checkbox"/> No <input type="checkbox"/>	Location of Equipment CITY Sacramento, COUNTY Sacramento	STATE California
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FOR FEDERAL USE TAX ON HIGHWAY MOTOR VEHICLES:	70,479.00	ACQUISITION COST	422,108.00
NET WEIGHT	NO. OF AXLES	CATEGORY (Letter from Form 2290)	(1) Equipment \$ XXX (2) Body \$ --- (3) Other Charges \$ 351,629 Acquisition Cost (1+2+3) \$ 887,422

Replacing <input type="checkbox"/> Equipment No.	New ILR <input type="checkbox"/> Revising <input type="checkbox"/>	Date of Original ILR or Last Revision
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PERIOD IN MONTHS FOR FULL AMORTIZATION	MONTHLY AMORTIZATION FIGURE \$
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Monthly rent: For _____ months commencing the first day of _____ 19____ equals the monthly amortization figure plus an amount computed as provided in the Leasing Agreement. Such rate is subject to periodic adjustments if so provided in the Leasing Agreement.

Unit to be fully amortized on last day of _____ 19____.

Monthly rent for each month after fully amortized equals whichever of the following is provided in the Leasing Agreement:
A) _____ % of the original acquisition cost or B) \$ _____^R per month.

IF GENERAL ELECTION FOR INVESTMENT CREDIT IN FORCE, COMPLETE THIS SECTION

If property subject to investment credit? Yes ___ or No ___ (If yes, complete the following)

Date on which possession of this property is transferred to Lessee _____

ALTERNATE G AND H
H \$ _____
G \$ _____

If fair market value on such date is the same as acquisition cost check here

State fair market value on such date. \$ _____

3 YEARS OR MORE BUT LESS THAN 5 YEARS <input type="checkbox"/> 1	USEFUL LIFE CATEGORY (Check One)	LESS THAN 3 YEARS <input type="checkbox"/> 0
5 YEARS OR MORE BUT LESS THAN 7 YEARS <input type="checkbox"/> 2		7 YEARS OR MORE <input type="checkbox"/> 3

The undersigned Lessor hereby leases to the undersigned Lessee, and the Lessee acknowledges delivery to it in good condition of, the Equipment, with related equipment, described in the above Individual Leasing Record. The Lessee agrees to pay the rent set forth above. The covenants, terms and conditions of this lease are those appearing in the Leasing Agreement between the undersigned Lessor and Lessee dated 12/1/83 which covenants, terms and conditions are hereby incorporated by reference.

By Phia Lessor Southern Pacific Transportation Company Lessee
By Smith Authorized Signature

M MONTHLY 1	CHECK NO: <u>WIRE</u>	DATE OF CHECK <u>2-14-84</u>	NO. OF I.L.R.s <u>8</u>	AMOUNT \$ <u>351,629.00</u>
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INDIVIDUAL LEASING RECORD

Effective Date of Lease 4/15/85

D I.L.R. No 1001C	E <input checked="" type="checkbox"/> NEW <input type="checkbox"/> USED	F END APR 1ST 1985	VENDOR	
S1 Make of Equipment		S2 Model Year	S4 Model SD 45	S3 Engine No SP 7537
S5 Serial (V.I.D.) No				
G OF EQUIPMENT OR OTHER DETAILS O Rehabilitation and reconstruction charges. And one (1) locomotive hulk.				
To be registered for Highway use: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		Location of Equipment Eugene,		P STATE Oregon

FOR FEDERAL USE TAX ON HIGHWAY MOTOR VEHICLES.			ACQUISITION COST			
NET WEIGHT	NO OF AXLES	CATEGORY (Letter from Form 2290)	(1) Equipment \$ 30,000	(2) Body \$ _____	(3) Other Charges \$ 722,000	Acquisition Cost (1+2+3) \$ 752,000
Replacing <input type="checkbox"/> New I.L.R. <input checked="" type="checkbox"/> Revising <input type="checkbox"/>			Date of Original I.L.R. OR Last Revision			
PERIOD IN MONTHS FOR FULL AMORTIZATION 120			MONTHLY AMORTIZATION FIGURE \$ 6266.67			

Monthly rent: For 120 months commencing the first day of June 19 85 equals the monthly amortization figure plus an amount computed as provided in the Leasing Agreement. Such rate is subject to periodic adjustments if so provided in the Leasing Agreement.

Unit to be fully amortized on last day of May 19 95

Monthly rent for each month after fully amortized equals whichever of the following is provided in the Leasing Agreement:
A) _____ % of the original acquisition cost or B) \$ _____ per month.

IF GENERAL ELECTION FOR INVESTMENT CREDIT IN FORCE, COMPLETE THIS SECTION

ALTERNATE G AND H

If property subject to investment credit? Yes _____ or No _____ (If yes, complete the following)

Date on which possession of this property is transferred to Lessee _____

If fair market value on such date is the same as acquisition cost check here

ate fair market value on such date. \$ _____

1. <input type="checkbox"/> 3 YEAR PROPERTY	CLASS OF RECOVERY PROPERTY	3. <input type="checkbox"/> 10 YEAR PROPERTY
2. <input checked="" type="checkbox"/> 5 YEAR PROPERTY	5. <input type="checkbox"/> 15 YEAR PUBLIC UTILITY PROPERTY	4. <input type="checkbox"/> 15 YEAR REAL PROPERTY

The undersigned Lessor hereby leases to the undersigned Lessee, and the Lessee acknowledges delivery to it in good condition of, the Equipment, with related equipment, described in the above Individual Leasing Record. The Lessee agrees to pay the rent set forth above. The covenants, terms and conditions of this lease are those appearing in the Leasing Agreement between the undersigned Lessor and Lessee dated 12-1-83, which covenants, terms and conditions are hereby incorporated by reference.

Amended 1-1-85

By Wheat Lessor Southern Pacific Transportation Company Lessee

By H. Johnson Authorized Signature

M MONTHLY 1	CHECK NO. <u>wire transfer</u>	DATE OF CHECK <u>4-15-85</u>	NO. OF I.L.R. <u>2</u>	AMOUNT \$ <u>1,504,000.00</u>
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I.L.R. SL 10/82 :1,504,000.00 COPY FOR LESSOR - MAIL TO LESSOR

INDIVIDUAL LEASING RECORD

D I.L.R. No 101 C		E <input checked="" type="checkbox"/> NEW <input type="checkbox"/> USED		AMORT	TYPE	Effective Date of Lease 4-15-85	
Make of Equipment				F S2 Model Year	S4 Model	Engine No	S3 Serial (V.I.D.) No
					SD-45	SP 7538	

REHABILITATION AND RECONSTRUCTION CHARGES. And one (1) locomotive hulk. 38-039-0180

To be registered for highway use: Yes No Location of Equipment: **Eugene** CITY COUNTY STATE: **Oregon**

FOR FEDERAL USE TAX ON HIGHWAY MOTOR VEHICLES			ACQUISITION COST			
NET WEIGHT	NO OF AXLES	CATEGORY (Letter from Form 2290)	(1) Equipment \$ 30,000	(2) Body \$	(3) Other Charges \$ 722,000	Acquisition Cost (1+2+3) \$ 752,000
Replacing <input type="checkbox"/> New ILR <input type="checkbox"/> Revising <input type="checkbox"/>			Date of Original ILR OR Last Revision			
PERIOD IN MONTHS FOR FULL AMORTIZATION 120			MONTHLY AMORTIZATION FIGURE \$ 6266.67			

Monthly rent: For **120** months commencing the first day of **June** 19 **85** equals the monthly amortization figure plus an amount computed as provided in the Leasing Agreement. Such rate is subject to periodic adjustments if so provided in the Leasing Agreement.

Unit to be fully amortized on last day of **May** 19 **95**

Monthly rent for each month after fully amortized equals whichever of the following is provided in the Leasing Agreement:
 A) _____ % of the original acquisition cost or B) \$ _____ per month.

IF GENERAL ELECTION FOR INVESTMENT CREDIT IN FORCE, COMPLETE THIS SECTION

If property subject to investment credit? Yes _____ or No _____ (If yes, complete the following)

Date on which possession of this property is transferred to Lessee _____

Fair market value on such date is the same as acquisition cost check here <input type="checkbox"/> State fair market value on such date. \$ _____	ALTERNATE G AND H H \$ _____ G \$ _____
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CLASS OF RECOVERY PROPERTY

1. 3 YEAR PROPERTY 3. 10 YEAR PROPERTY
 2. 5 YEAR PROPERTY 4. 15 YEAR REAL PROPERTY
 5. 15 YEAR PUBLIC UTILITY PROPERTY

The undersigned Lessor hereby leases to the undersigned Lessee, and the Lessee acknowledges delivery to it in good condition of, the Equipment, with related equipment, described in the above Individual Leasing Record. The Lessee agrees to pay the rent set forth above. The covenants, terms and conditions of this lease are those appearing in the Leasing Agreement between the undersigned Lessor and Lessee dated **12-31** 1-1-85, which covenants, terms and conditions are hereby incorporated by reference.

Lessor Southern Pacific Transportation Company Lessee

By [Signature] Authorized Signature By [Signature] Authorized Signature

M MONTHLY 1

CHECK NO Wire transfer DATE OF CHECK 4-15-85 NO OF ILRS 2 AMOUNT \$ 9

LLR SL 10/82 **1,504,000.00** COPY FOR LESSOR - MAIL TO LESSOR

INDIVIDUAL LEASING RECORD

D I.L.R. No 103 C		E <input checked="" type="checkbox"/> NEW <input type="checkbox"/> USED		Effective Date of Lease 4-23-85	
S1 Make of Equipment		S2 Model Year	S4 Model SD-45	Engine No. SP 7539	S3 Serial (V.I.D.) No.
OF EQUIPMENT OR OTHER DETAILS O Rehabilitation and reconstruction charges. And one (1) locomotive hulk.					
To be registered for highway use: Yes <input type="checkbox"/> No <input type="checkbox"/>		Location of Equipment Eugene		P 38-039-0780 Oregon	

FOR FEDERAL USE TAX ON HIGHWAY MOTOR VEHICLES			ACQUISITION COST			
NET WEIGHT	NO OF AXLES	CATEGORY (Letter from Form 2290)	(1) Equipment \$ 30,000	(2) Body \$	(3) Other Charges \$ 722,000	Acquisition Cost (1+2+3) \$ 752,000
Replacing Equipment No. <input type="checkbox"/>	New ILR <input checked="" type="checkbox"/>	Revising <input type="checkbox"/>	Date of Original ILR OR Last Revision			
PERIOD IN MONTHS FOR FULL AMORTIZATION 120			MONTHLY AMORTIZATION FIGURE \$ 6266.67			

Monthly rent: For 120 months commencing the first day of June 1985 equals the monthly amortization figure plus an amount computed as provided in the Leasing Agreement. Such rate is subject to periodic adjustments if so provided in the Leasing Agreement.

Unit to be fully amortized on last day of May 1995.

Monthly rent for each month after fully amortized equals whichever of the following is provided in the Leasing Agreement:
 A) _____ % of the original acquisition cost or B) \$ _____ per month.

IF GENERAL ELECTION FOR INVESTMENT CREDIT IN FORCE, COMPLETE THIS SECTION

If property subject to investment credit? Yes _____ or No _____ (If yes, complete the following)

Date on which possession of this property is transferred to Lessee _____

fair market value on such date is the same as acquisition cost check here

late fair market value on such date. \$ _____

CLASS OF RECOVERY PROPERTY

1. 3 YEAR PROPERTY 3. 10 YEAR PROPERTY

2. 5 YEAR PROPERTY 4. 15 YEAR REAL PROPERTY

5. 15 YEAR PUBLIC UTILITY PROPERTY

The undersigned Lessor hereby leases to the undersigned Lessee, and the Lessee acknowledges delivery to it in good condition of, the Equipment with related equipment, described in the above Individual Leasing Record. The Lessee agrees to pay the rent set forth above. The covenants, terms and conditions of this lease are those appearing in the Leasing Agreement between the undersigned Lessor and Lessee dated _____, which covenants, terms and conditions are hereby incorporated by reference.

Lessor Southern Pacific Transportation Company Lessee

By [Signature] Authorized Signature By [Signature] Authorized Signature

M. MONTHLY

CHECK NO. wire transfer DATE OF CHECK 4-24-85 NO OF ILRS 1 AMOUNT \$ [Signature]

INDIVIDUAL LEASING RECORD **ENR U MAR 20 1986**

Effective Date of Lease **March 19, 1986**

ILR No 228	<input type="checkbox"/> NEW <input checked="" type="checkbox"/> USED	AMORT F	TYPE 1	VENDOR	
S1 Make of Equipment R	S2 Model Year	S4 Model	Engine No.	S3 Serial No	

EQUIPMENT OR OTHER DETAILS **ACRS**

Rehabilitation and reconstruction charges and (4) locomotive hulks

Location of Equipment **Eugene** CITY **38-039-0180** COUNTY STATE **Oregon**

ACQUISITION COST

(1) Equipment \$ 3,012,800.00	(2) Other Charges \$ -----	Acquisition Cost (1 + 2) \$ 3,012,800.00
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Replacing New ILR Revising

Equipment No. Date of Original ILR OR Last Revision

PERIOD IN MONTHS FOR FULL AMORTIZATION **120** MONTHLY AMORTIZATION FIGURE \$ **25,106.67**

Monthly rent: For **120** months commencing the first day of **April** 19 **86** equals the monthly amortization figure plus an amount computed as provided in the Leasing Agreement. Such rate is subject to periodic adjustments if so provided in the Leasing Agreement.

Unit to be fully amortized on last day of **March** 1996

Monthly rent for each month after full amortization equals whichever of the following is provided in the Leasing Agreement:
A) _____ % of the original acquisition cost or B) \$ _____ per month.

IF GENERAL ELECTION FOR INVESTMENT CREDIT IN FORCE, COMPLETE THIS SECTION
Is property subject to investment credit? Yes _____ or No _____ (If yes, complete the following)
Date on which possession of this property is transferred to Lessee _____

If fair market value on such date is the same as acquisition cost check here
or the fair market value on such date. \$ _____

CLASS OF RECOVERY PROPERTY (ACRS)

1. 3 YEAR PROPERTY 2. 5 YEAR PROPERTY 3. OTHER _____

The undersigned Lessor hereby leases to the undersigned Lessee, and the Lessee acknowledges delivery to it in good condition of, the Equipment, with related equipment, described in the above Individual Leasing Record. The Lessee agrees to pay the rent set forth above. The covenants, terms and conditions of this lease are those appearing in the Leasing Agreement between the undersigned Lessor and Lessee dated **12/1/83**, which covenants, terms and conditions are hereby incorporated by reference.

Lessor **Southern Pacific Transportation Company** Lessee
By **[Signature]**
Authorized Signature

MONTHLY 1
CHECK NO **wire transfer** DATE OF CHECK **3/19/86** NO OF ILR's **1** AMOUNT \$ **21**

INDIVIDUAL LEASING RECORD

ENT'D NOV 07 1986

Effective Date of Lease	November 3, 1986			
VENDOR				
S1 Make of Equipment	S2 Model Year	S4 Model	Engine No	S3 Serial No.

ILR No 256	<input checked="" type="checkbox"/> NEW 1	<input type="checkbox"/> USED 2	AMORT F	TYPE 1
OF EQUIPMENT OR OTHER DETAILS 0				
Rehabilitation and reconstruction charges and three locomotive hulks (SP 6774, 6781 & 6782).				
Location of Equipment	CITY	COUNTY	STATE	

ACQUISITION COST		
(1) Equipment \$1,645,800.00	(2) Other Charges \$	Acquisition Cost (1 + 2) \$ 1,645,800.00
Replacing <input type="checkbox"/> Equipment No.	New ILR <input type="checkbox"/>	Revising <input type="checkbox"/>
Date of Original ILR OR Last Revision		H
PERIOD IN MONTHS FOR FULL AMORTIZATION	MONTHLY AMORTIZATION FIGURE \$	
108	15,238.89	
Monthly rent: For 108 months commencing the first day of December 1986 equals the monthly amortization figure plus an amount computed as provided in the Leasing Agreement. Such rate is subject to periodic adjustments if so provided in the Leasing Agreement.		
Unit to be fully amortized on last day of November 1995		
Monthly rent for each month after full amortization equals whichever of the following is provided in the Leasing Agreement: A) % of the original acquisition cost or B) \$ R per month.		

IF GENERAL ELECTION FOR INVESTMENT CREDIT IN FORCE, COMPLETE THIS SECTION

If property subject to investment credit? Yes _____ or No _____ (If yes, complete the following)

Date on which possession of this property is transferred to Lessee _____

If fair market value on such date is the same as acquisition cost check here <input type="checkbox"/>	\$ _____
CLASS OF RECOVERY PROPERTY (ACRS)	
1. <input type="checkbox"/> 3 YEAR PROPERTY	2. <input type="checkbox"/> 5 YEAR PROPERTY
3. <input type="checkbox"/> OTHER _____	

The undersigned Lessor hereby leases to the undersigned Lessee, and the Lessee acknowledges delivery to it in good condition of, the Equipment, with related equipment, described in the above Individual Leasing Record. The Lessee agrees to pay the rent set forth above. The covenants, terms and conditions of this lease are those appearing in the Leasing Agreement between the undersigned Lessor and Lessee dated 12/1/83, which covenants, terms and conditions are hereby incorporated by reference.

By [Signature] Lessor Southern Pacific Transportation Company Lessee
 Authorized Signature

M MONTHLY 1	CHECK NO. <u>Wire transfer</u>	DATE OF CHECK <u>11/4/86</u>	NO. OF ILR's <u>1</u>	AMOUNT \$ <u>9</u>
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COPY FOR LESSOR — MAIL TO LESSOR

INDIVIDUAL LEASING RECORD DATED NOV 12 1988

Effective Date of Lease
November 12, 1986

ILR No 258	<input type="checkbox"/> NEW 1	<input type="checkbox"/> USED 2	AMORT F	TYPE 1	VENDOR	
S1 Make of Equipment <i>R</i>			S2 Model Year	S4 Model	Engine No	S3 Serial No.
1. OF EQUIPMENT OR OTHER DETAILS 0 Rehabilitation and reconstruction charges and three locomotive hulks (SP 6783, 6784 & 6785) <i>38-039-0180</i>						
Location of Equipment Eugene			CITY	COUNTY	STATE Oregon	

ACQUISITION COST		
(1) Equipment \$ 1,645,800.00	(2) Other Charges \$ -----	Acquisition Cost (1 + 2) \$ 1,645,800.00
Replacing <input type="checkbox"/> Equipment No	New ILR <input type="checkbox"/>	Revising <input type="checkbox"/>
PERIOD IN MONTHS FOR FULL AMORTIZATION 108		MONTHLY AMORTIZATION FIGURE \$ 15,238.89

Monthly rent: For 108 months commencing the first day of December 1986 equals the monthly amortization figure, plus an amount computed as provided in the Leasing Agreement. Such rate is subject to periodic adjustments if so provided in the Leasing Agreement.

Unit to be fully amortized on last day of November 1995 κ

Monthly rent for each month after full amortization equals whichever of the following is provided in the Leasing Agreement:
A) _____ % of the original acquisition cost or B) \$ _____ per month.

IF GENERAL ELECTION FOR INVESTMENT CREDIT IN FORCE, COMPLETE THIS SECTION
If property subject to investment credit? Yes _____ or No _____ (If yes, complete the following)
Date on which possession of this property is transferred to Lessee _____

<input type="checkbox"/> fair market value on such date is the same as acquisition cost check here <input type="checkbox"/> fair market value on such date.	\$ _____
CLASS OF RECOVERY PROPERTY (ACRS)	
1. <input type="checkbox"/> 3 YEAR PROPERTY	2. <input type="checkbox"/> 5 YEAR PROPERTY
3. <input type="checkbox"/> OTHER _____	

The undersigned Lessor hereby leases to the undersigned Lessee, and the Lessee acknowledges delivery to it in good condition of, the Equipment, with related equipment, described in the above Individual Leasing Record. The Lessee agrees to pay the rent set forth above. The covenants, terms and conditions of this lease are those appearing in the Leasing Agreement between the undersigned Lessor and Lessee dated 12/1/83, which covenants, terms and conditions are hereby incorporated by reference.

By *M. Hunt* Lessor Authorized Signature
By *J. J. King* Southern Pacific Transportation Company Lessee Authorized Signature

M MONTHLY	CHECK <input checked="" type="checkbox"/> <u>Wire Transfer</u>	DATE OF CHECK <u>11-12-86</u>	NO. OF ILR <u>1</u>	AMOUNT \$ <u>6</u>
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COPY FOR LESSOR — MAIL TO LESSOR

INDIVIDUAL LEASING RECORD NOV 25 1986

Effective Date of Lease

November 24, 1986

ILR No 259	<input checked="" type="checkbox"/> NEW 1	<input type="checkbox"/> USED 2	AMORT F	TYPE 1	VENDOR	
S1 Make of Equipment <i>R</i>			S2 Model Year	S4 Model	Engine No	S3 Serial No.
OF EQUIPMENT OR OTHER DETAILS O Rehabilitation and reconstruction charges and two locomotive hulks (SP 6786 & 6787). <i>38-039-0180</i>						
Location of Equipment			CITY Eugene	COUNTY	P STATE Oregon	

ACQUISITION COST

(1) Equipment \$1 097,200.00	(2) Other Charges \$ -----	Acquisition Cost (1 + 2) G \$1,097,200.00
Replacing <input type="checkbox"/> New ILR <input type="checkbox"/> Revising <input type="checkbox"/>	Date of Original ILR OR Last Revision	
PERIOD IN MONTHS FOR FULL AMORTIZATION 108	MONTHLY AMORTIZATION FIGURE \$ 10,159.26	

Monthly rent: For 108 months commencing the first day of December 1986 equals the monthly amortization figure plus an amount computed as provided in the Leasing Agreement. Such rate is subject to periodic adjustments if so provided in the Leasing Agreement.

Unit to be fully amortized on last day of November 1995

Monthly rent for each month after full amortization equals whichever of the following is provided in the Leasing Agreement:

A) % of the original acquisition cost or B) \$ R per month.

IF GENERAL ELECTION FOR INVESTMENT CREDIT IN FORCE, COMPLETE THIS SECTION

If property subject to investment credit? Yes or No (If yes, complete the following)

Date on which possession of this property is transferred to Lessee

If fair market value on such date is the same as acquisition cost check here State fair market value on such date. \$

CLASS OF RECOVERY PROPERTY (ACRS)

1. 3 YEAR PROPERTY 2. 5 YEAR PROPERTY 3. OTHER

The undersigned Lessor hereby leases to the undersigned Lessee, and the Lessee acknowledges delivery to it in good condition of, the Equipment, with related equipment, described in the above Individual Leasing Record. The Lessee agrees to pay the rent set forth above. The covenants, terms and conditions of this lease are those appearing in the Leasing Agreement between the undersigned Lessor and Lessee dated 12/1/83, which covenants, terms and conditions are hereby incorporated by reference.

By *[Signature]* Lessor Southern Pacific Transportation Co Lessee
Authorized Signature By *[Signature]* Authorized Signature

M MONTHLY 1
CHECK NO *wire transfer* DATE OF CHECK *11/24/86* NO OF ILR *1* AMOUNT \$ *10,159.26*

ILLR E 10/84 COPY FOR LESSOR - MAIL TO LESSOR

**EQUIPMENT
INDIVIDUAL LEASING RECORD**

Effective Date of Lease December 3, 1986
VENDOR

D I.L.R. No. 260	E <input checked="" type="checkbox"/> NEW <input type="checkbox"/> USED	AMORT ENT'D DEC 3 1986	TYPE 1
S1 Make of Equipment R	S2 Model Year	S4 Model	Engine No.
S3 Serial No. 38-039-0180		Location of Equipment Eugene Oregon	

TYPE OF EQUIPMENT OR OTHER DETAILS O
Rehabilitation and reconstruction charges and one locomotive hulk (SP 6788)

Location of Equipment
CITY COUNTY STATE
Eugene Oregon

ACQUISITION COST		
(1) Equipment \$548,600.00	(2) Other Charges \$ - - -	Acquisition Cost (1 + 2) \$548,600.00

Replacing <input type="checkbox"/> Equipment No.	New ILR <input type="checkbox"/>	Revising <input type="checkbox"/>	Date of Original ILR OR Last Revision
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PERIOD IN MONTHS FOR FULL AMORTIZATION 108M	MONTHLY AMORTIZATION FIGURE \$ 5,079.63
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Monthly rent: For 108 months commencing the first day of January 1987 equals the monthly amortization figure plus an amount computed as provided in the Leasing Agreement. Such rate is subject to periodic adjustments if so provided in the Leasing Agreement.

Unit to be fully amortized on last day of December 1995

Monthly rent for each month after full amortization equals whichever of the following is provided in the Leasing Agreement:
A) _____ % of the original acquisition cost or B) \$ _____ per month.

IF GENERAL ELECTION FOR INVESTMENT CREDIT IN FORCE. COMPLETE THIS SECTION

If property subject to investment credit? Yes _____ or No _____ (If yes, complete the following)
Date on which possession of this property is transferred to Lessee _____

Is fair market value on such date is the same as acquisition cost check here <input type="checkbox"/>	\$ _____
Is fair market value on such date.	

CLASS OF RECOVERY PROPERTY (ACRS)		
1. <input type="checkbox"/> 3 YEAR PROPERTY	2. <input type="checkbox"/> 5 YEAR PROPERTY	3. <input type="checkbox"/> OTHER _____

The undersigned Lessor hereby leases to the undersigned Lessee, and the Lessee acknowledges delivery to it in good condition of, the Equipment, with related equipment, described in the above Individual Leasing Record. The Lessee agrees to pay the rent set forth above. The covenants, terms and conditions of this lease are those appearing in the Leasing Agreement between the undersigned Lessor and Lessee dated 12/1/83, which covenants, terms and conditions are hereby incorporated by reference.

By M. Wheat Lessor Authorized Signature
By E. J. Shady Southern Pacific Transportation Company Lessee Authorized Signature

M MONTHLY 1	CHECK NO. <u>Wire transfer</u>	DATE OF CHECK <u>12/3/86</u>	NO OF I.L.R.s <u>1</u>	AMOUNT \$ <u>4</u>
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EQUIPMENT INDIVIDUAL RECORD 9 1986
INDIVIDUAL LEASING RECORD

Effective Date of Lease 9
December 9, 1986
 VENDOR

D I.L.R. No. 261	E <input checked="" type="checkbox"/> NEW <input type="checkbox"/> USED	AMORT F 2	TYPE 1
S1 Make of Equipment R	S2 Model Year	S4 Model	Engine No S3 Serial No

T... EQUIPMENT OR OTHER DETAILS **38-039-0100**
Rehabilitation and reconstruction charges and one locomotive hulk (SP 6789).

Location of Equipment
 CITY COUNTY STATE
Eugene Oregon

ACQUISITION COST

(1) Equipment \$548,600.00	(2) Other Charges \$-----	Acquisition Cost (1 + 2) \$548,600.00
--------------------------------------	------------------------------	---

Replacing New ILR Revising
 Equipment No. Date of Original ILR OR Last Revision

PERIOD IN MONTHS FOR FULL AMORTIZATION **108**
 MONTHLY AMORTIZATION FIGURE \$ **5,079.63**

Monthly rent: For 108 months commencing the first day of January 1987 equals the monthly amortization figure plus an amount computed as provided in the Leasing Agreement. Such rate is subject to periodic adjustments if so provided in the Leasing Agreement.

Unit to be fully amortized on last day of December 1995

Monthly rent for each month after full amortization equals whichever of the following is provided in the Leasing Agreement:
 A) _____% of the original acquisition cost or B) \$ _____ per month.

IF GENERAL ELECTION FOR INVESTMENT CREDIT IN FORCE, COMPLETE THIS SECTION

If property subject to investment credit? Yes _____ or No _____ (If yes, complete the following)
 Date on which possession of this property is transferred to Lessee _____

If fair market value on such date is the same as acquisition cost check here
 If not, state fair market value on such date. \$ _____

CLASS OF RECOVERY PROPERTY (ACRS)

1. 3 YEAR PROPERTY 2. 5 YEAR PROPERTY 3. OTHER _____

The undersigned Lessor hereby leases to the undersigned Lessee, and the Lessee acknowledges delivery to it in good condition of, the Equipment, with related equipment, described in the above Individual Leasing Record. The Lessee agrees to pay the rent set forth above. The covenants, terms and conditions of this lease are those appearing in the Leasing Agreement between the undersigned Lessor and Lessee dated 12/1/83, which covenants, terms and conditions are hereby incorporated by reference.

By [Signature] Lessor Southern Pacific Transportation Company Lessee
 Authorized Signature By [Signature] Authorized Signature

M. MONTHLY
 CHECK NO. Wire transfer DATE OF CHECK 12/8/86 NO. OF I.L.R.s 1 AMOUNT \$ [Signature]

INDIVIDUAL LEASING RECORD

Effective Date of Lease
December 12, 1986
 VENDOR

ILR No 262	<input checked="" type="checkbox"/> NEW <input type="checkbox"/> USED	AMORT F	TYPE 1
S1 Make of Equipment R	S2 Model Year	S4 Model	Engine No. S3 Serial No.

OF EQUIPMENT OR OTHER DETAILS O
Rehabilitation and reconstruction charges and one locomotive hulk (SP6790), 38-039-0100

Location of Equipment
 CITY: **Eugene** COUNTY: _____ P STATE: **Oregon**

ACQUISITION COST

(1) Equipment \$ 548,600.00	(2) Other Charges \$ - - - -	Acquisition Cost (1 + 2) G \$ 548,600.00
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Replacing New ILR Revising
 Equipment No. _____ Date of Original ILR OR Last Revision: _____

PERIOD IN MONTHS FOR FULL AMORTIZATION: 108 MONTHLY AMORTIZATION FIGURE \$ 5,079.63

Monthly rent: For 108 months commencing the first day of January 1987 equals the monthly amortization figure plus an amount computed as provided in the Leasing Agreement. Such rate is subject to periodic adjustments if so provided in the Leasing Agreement.

Unit to be fully amortized on last day of December 1987 95

Monthly rent for each month after full amortization equals whichever of the following is provided in the Leasing Agreement:
 A) _____ % of the original acquisition cost or B) \$ _____ per month.

IF GENERAL ELECTION FOR INVESTMENT CREDIT IN FORCE, COMPLETE THIS SECTION

If property subject to investment credit? Yes _____ or No _____ (If yes, complete the following)
 Date on which possession of this property is transferred to Lessee: _____

If fair market value on such date is the same as acquisition cost check here
 state fair market value on such date: \$ _____

CLASS OF RECOVERY PROPERTY (ACRS)

1. 3 YEAR PROPERTY 2. 5 YEAR PROPERTY 3. OTHER _____

The undersigned Lessor hereby leases to the undersigned Lessee, and the Lessee acknowledges delivery to it in good condition of, the Equipment, with related equipment, described in the above Individual Leasing Record. The Lessee agrees to pay the rent set forth above. The covenants, terms and conditions of this lease are those appearing in the Leasing Agreement between the undersigned Lessor and Lessee dated 12/1/83, which covenants, terms and conditions are hereby incorporated, by reference.

By [Signature] Lessor By [Signature] ~~SOUTHERN PACIFIC TRANSPORTATION COMPANY~~ Lessee
 Authorized Signature Authorized Signature

M MONTHLY wire transfer
 CHECK NO transfer DATE OF CHECK 12-19-86 NO OF ILR: 1 AMOUNT \$ G

INDIVIDUAL LEASING RECORD

Effective Date of Lease December 26, 1986	
VENDOR	

ILR No 263	<input checked="" type="checkbox"/> NEW <input type="checkbox"/> USED	AMORT F	TYPE 1	
S1 Make of Equipment	S2 Model Year	S4 Model	Engine No	S3 Serial No.

EQUIPMENT OR OTHER DETAILS 0 **38-039 0180**

Rehabilitation and reconstruction charges and two locomotive hulks (SP-6791 & SP-6792).

Location of Equipment	CITY Eugene	COUNTY	STATE Oregon
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ACQUISITION COST		
(1) Equipment \$ 1,097,200	(2) Other Charges \$ - - -	Acquisition Cost (1 + 2) \$ 1,097,200
Replacing <input type="checkbox"/> Equipment No. _____ New ILR <input type="checkbox"/> _____ Revising <input type="checkbox"/> _____	Date of Original ILR OR Last Revision _____	
PERIOD IN MONTHS FOR FULL AMORTIZATION 108	MONTHLY AMORTIZATION FIGURE \$ 10,159.26	

Monthly rent: For **108** months commencing the first day of **January** 19 **87** equals the monthly amortization figure plus an amount computed as provided in the Leasing Agreement. Such rate is subject to periodic adjustments if so provided in the Leasing Agreement.

Unit to be fully amortized on last day of **December** 19 **95**.

Monthly rent for each month after full amortization equals whichever of the following is provided in the Leasing Agreement:
 A) _____ % of the original acquisition cost or B) \$ _____ per month.

IF GENERAL ELECTION FOR INVESTMENT CREDIT IN FORCE, COMPLETE THIS SECTION

If property subject to investment credit? Yes _____ or No _____ (If yes, complete the following)

Date on which possession of this property is transferred to Lessee _____

If fair market value on such date is the same as acquisition cost check here <input type="checkbox"/>	\$ _____	
CLASS OF RECOVERY PROPERTY (ACRS)		
1. <input type="checkbox"/> 3 YEAR PROPERTY	2. <input type="checkbox"/> 5 YEAR PROPERTY	3. <input type="checkbox"/> OTHER _____

The undersigned Lessor hereby leases to the undersigned Lessee, and the Lessee acknowledges delivery to it in good condition of, the Equipment, with related equipment, described in the above Individual Leasing Record. The Lessee agrees to pay the rent set forth above. The covenants, terms and conditions of this lease are those appearing in the Leasing Agreement between the undersigned Lessor and Lessee dated **12/1/83**, which covenants, terms and conditions are hereby incorporated by reference.

_____, Lessor SOUTHERN PACIFIC TRANSPORTATION COMPANY, Lessee

By *[Signature]* Authorized Signature By *[Signature]* Authorized Signature

M MONTHLY 1	CHECK NO wire transfer	DATE OF CHECK 12/29/86	NO OF ILRS 1	AMOUNT \$ 9
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COPY FOR LESSOR — MAIL TO LESSOR