

STEPTOE & JOHNSON

1250 CONNECTICUT AVENUE

WASHINGTON, D. C. 20036

0-359A023

CHERYL A. SKIGIN

(202) 862-2053

No.

Date DEC 24 1980

Fee \$50.00

ICC Washington, D. C.

December 24, 1980

Ms. Agatha Mergenovich, Secretary
Interstate Commerce Commission
Room 2215, 12th and Constitution
Avenues
Washington, DC 20423

RECORDATION NO. 12647

DEC 23 1980 10 20 AM

INTERSTATE COMMERCE COMMISSION

Dear Ms. Mergenovich:

Enclosed for filing and recordation pursuant to the provisions of 49 U.S.C. § 11303 are six copies of the following document:

RAILROAD LEASE AGREEMENT, dated as of December 1, 1980,
between Brae Corporation and Waterloo Railroad Company.

It relates to fifty, 50', 100-ton boxcars (with lading anchors) numbered WLO 531200 - 531249, inclusive.

The names and addresses of the parties to the transactions evidenced by the document described above are as follows:

Lessor: Brae Corporation
Suite 1760, Three Embarcadero Center
San Francisco, CA 94111

Lessee: Waterloo Railroad Company
233 North Michigan Avenue
Chicago, IL 60601

It is requested that these documents be filed and recorded under the names of the parties as set forth above.

Please return to the person presenting this letter: (1) your letter acknowledging the filing, (2) a receipt for the \$50.00 filing fee paid by check drawn on this firm, (3) the enclosed copies of this letter, and (4) any copies

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DOCKET FILES
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Cheryl Skigin - Maureen McCue

Ms. Mergenovich

- 2 -

December 24, 1980

of the documents not required for recordation -- all stamped to indicate the appropriate filing information.

Very truly yours,

Cheryl Skigin (mbm)

Cheryl A. Skigin

mbm

Enclosures

RECORDATION NO. 12647 Filed 1425

DEC 23 1980 10 20 AM

INTERSTATE COMMERCE COMMISSION

RAILROAD LEASE AGREEMENT

LEASE AGREEMENT, dated as of December 1, 1980, between BRAE CORPORATION, a Delaware corporation ("BRAE") and WATERLOO RAILROAD COMPANY, a Delaware corporation ("Lessee").

1. Scope of Agreement

A. BRAE agrees to lease to Lessee and Lessee agrees to lease from BRAE the items of railroad equipment ("Cars") set forth in the Schedule(s) attached hereto. "Schedules" include the Schedule or Schedules executed herewith and any additional Schedules, each of which when executed by both parties shall become a part of this Agreement.

B. Subject to the provisions of Section 12A hereof BRAE shall at all times be and remain the Lessor of the Cars; Lessee shall not take any action or file any document inconsistent with BRAE's position as the Lessor of the Cars and shall from time to time take such actions and execute such documents as may be necessary to evidence or confirm BRAE's position as lessor of the Cars.

2. Term

A. This Agreement shall remain in effect until it shall have been terminated as to all Cars as provided herein. The lease pursuant to this Agreement with respect to each Car shall commence upon the acceptance of such Car by BRAE from the manufacturer and shall continue until three years have expired from the actual date of delivery to the shipper's loading point for the last of the Cars described on the Schedule, all as provided in Section 3A; provided, however, that in no event shall the original term of lease with respect to any Car exceed 42 months.

B. This Agreement will automatically be renewed for an additional three-year period under the same conditions, for the same shipper or a different shipper selected by either party and approved by both unless either party hereto notifies the other of its intent not to renew this Agreement at least six (6) months prior to the termination of the initial three-year period.

C. BRAE shall have the right to terminate this Agreement with respect to one or more Cars in the event that any major addition, alteration, modification or improvement other than maintenance, as defined herein to any of the Cars, is required by the Association of American Railroads ("AAR"), the Department of Transportation or any other regulatory agency, or is otherwise required in order to comply with applicable laws, regulations,

or requirements affecting the use or ownership of any of the Cars, if that addition, alteration, modification or improvement results in costs to BRAE, or any owner(s) of the Cars, of more than \$500.00, or in the event material adverse changes to the Car Service Rules are made which affect either party's ability to perform under this Contract. BRAE shall notify Lessee of intent to terminate due to the above within 120 days of notification of alteration requirement or Car Service Rule changes.

3. Delivery

A. BRAE will inspect each of the Cars tendered by the manufacturer, for delivery to Lessee. Prior to such inspection, however, Lessee shall confirm in writing to BRAE that the sample Car which will be made available for Lessee's inspection prior to the commencement of deliveries conforms to the specifications of the equipment agreed to by Lessee. Upon such approval by Lessee and BRAE's determination that the Car conforms to the specifications ordered by BRAE and to all applicable governmental regulatory specifications, and if this Agreement has not been terminated, BRAE will accept delivery thereof at the manufacturer's facility and shall notify Lessee in writing of such acceptance. *

~~In the event that no UFC charges accrue as a direct result of movement of the Cars over Illinois Central Gulf Railroad property in route to the shippers initial loading point, each of the Cars shall be deemed delivered to and accepted by Lessee upon spotting of the Car at shipper's facility for initial loading. If UFC charges accrue from the Illinois Central Gulf Railroad, each of the Cars shall be deemed delivered to and accepted by Lessee upon its acceptance by BRAE from the manufacturer. The Cars shall be moved, at no cost to Lessee, to the loading point of a ** shipper agreed upon by Lessee and BRAE as soon after acceptance by BRAE as is consistent with mutual convenience and economy.~~

The Lease hereunder ~~and Lessee's rental obligation~~ shall commence upon delivery to and acceptance of each Car by Lessee as defined above. Lessee's rental obligation shall commence upon spotting of each car at the shippers loading point per section 6(A)(i).

B. Lessee agrees that it shall not lease substantially similar freight cars from any other party for assignment to shipper's facility from any other party until it shall have received all of the Cars listed on all Schedules. In the event that any of the Cars should for any reason be on Lessee's tracks, Lessee shall exercise all due effort to return Cars to shipper location.

C. Additional Cars may be leased from BRAE by Lessee only upon the mutual agreement of the parties. Such additional Cars shall be identified in a Schedule and shall become subject to this Agreement upon execution of such Schedule by BRAE and Lessee. The delivery of any Car shall in all events be subject to manufacturer's delivery schedules and to the availability of financing on terms satisfactory to BRAE. If fewer than all Cars listed on any Schedule shall be delivered to the shipper's loading point, the lease term for the Cars on such Schedule shall terminate three years from the delivery date for the last of the Cars which is listed on such Schedule and actually delivered to the shipper's loading point, as provided in Section 3A.

*Acceptance by BRAE after Lessee's inspection of the cars at manufactures facility shall constitute acceptance of and delivery to Lessee.

**The shipper identified in the attached Equipment Schedule.

6. Lease Rental

A. Lessee agrees to pay the following rent to BRAE for the use of the Cars:

(i) In the event that utilization ("Utilization") for all Cars on an aggregate basis is equal to or less than 69% for the applicable calendar year, BRAE shall receive all car hire (per diem) payments and incentive car hire (incentive per diem) payments, if any, earned by all Cars during such calendar year. In the event that Utilization for all Cars on an aggregate basis is greater than 69% for such calendar year, BRAE shall receive an amount equal to the base rental ("Base Rental") for such calendar year. "Utilization" shall mean with respect to any period a fraction the numerator of which is the aggregate number of car hours ("Car Hours") for which car hire payments are earned by the Cars during such period, and the denominator of which is the aggregate number of Car Hours during such period. "Car Hour" shall mean one hour during which one Car is on lease hereunder, commencing on the initial delivery of such Car to shipper's loading point. A Car shall be deemed not to be earning car hire payments during any car hour during which that car is bad ordered per 6Av. "Base Rental" shall mean for any calendar year an amount equal to all car hire (per diem) payments and incentive car hire (incentive per diem) payments, if any, earned by all Cars during such calendar year, multiplied by a fraction the numerator of which is 69% and the denominator of which is the utilization for such calendar year.

(ii) In the event that Lessee receives in any calendar year car hire payments in respect of the Cars in excess of the payments required to be made to BRAE pursuant to subsection 6A(i) in such calendar year, Lessee shall retain such excess payments.

(iii) BRAE shall receive mileage payments earned by Cars for mileage up to and including an average daily mileage of thirty-seven and one-half (37.5) miles per day. In the event that the average daily mileage measured over the term of the Lease on a cumulative monthly basis exceeds 37.5, Lessee shall retain revenues resulting from mileage in excess of 37.5. The provisions of this clause (iii) shall apply to all mileage payments earned by the cars after initial delivery to the shipper's loading point.

(iv) BRAE shall receive all car hire payments and mileage charges earned by the Cars prior to their initial delivery to the shipper's loading point. BRAE shall also receive all other car usage payments made to Lessee in respect of the Cars by railroads pursuant to the Code of Rules Governing Condition and Repair to Freight and Passenger Cars for the Interchange of Traffic (Code of Rules) of the Association of American Railroads (AAR).

(v) In the event of damage to a car which can be repaired, car hire charges will accrue in accordance with the Code of Rules of the AAR.

4. Railroad Markings and Record Keeping

A. On or before acceptance of any Car from the manufacturer by BRAE, such Car will be lettered with the railroad markings of Lessee. Any Car may also be marked with the name of BRAE and any other information required by an owner or by a secured party under a financing agreement entered into in connection with the acquisition of such Car. All such names, insignia and other information shall comply with all applicable regulations.

5. Maintenance, Taxes, and Insurance

A. Except as otherwise provided herein, BRAE will pay all costs, expenses, fees and charges incurred in connection with the use and operation of each Car during its lease term, including but not limited to repairs, maintenance and service, unless the same was occasioned by the fault of Lessee. Lessee shall inspect all Cars interchanged to it in accordance with the Rules of Interchange to insure that such Cars are in good working order and condition. Lessee hereby transfers and assigns to BRAE all of its right, title and interest in any warranty with respect to any Car. All claims or actions on any warranty so assigned shall be made and prosecuted by BRAE at its sole expense and Lessee shall have no obligation to make any claim on such warranty. Any recovery under such warranty shall be payable solely to BRAE.

B. Except as provided in Section 5A, BRAE shall make or cause to be made such inspections of, and maintenance and repairs to, the Cars as may be required. Lessee shall perform any necessary maintenance and repairs to Cars while on Lessee's railroad tracks as may be reasonably requested by BRAE, provided these requests are in accordance with AAR Rules. BRAE shall also make, at its expense, all alterations, modifications or replacements of parts as shall be necessary to maintain the Cars in good operating condition throughout the term of their lease. Lessee may make running repairs, at BRAE's expense to facilitate continued use of a Car, but shall not otherwise make any repairs, alteration, improvements or additions to any Car without BRAE's prior written consent. Lessee shall be liable to BRAE for any revenues lost due to such alterations, repair, improvement or addition. Title to all alterations, improvements or additions shall vest immediately in BRAE.

C. Lessee shall be responsible for the Cars while on Lessee's railroad tracks in the same manner that Lessee is responsible under Rule 7 of the AAR Car Service and Car Hire Agreement Code of Car Service Rules-Freight for freight cars not owned by Lessee which are on Lessee's railroad tracks.

D. BRAE agrees to reimburse Lessee for all taxes, assessments and other governmental charges of whatsoever kind or character paid by Lessee relating to each Car and on the lease, delivery or operation thereof which may remain unpaid as of the date of delivery of such Car to Lessee or which may be accrued, levied, assessed or imposed during the lease term, except taxes on income imposed on Lessee and sales or use taxes imposed on the mileage charges and/or car hire revenues earned by the Cars.

Statements as to Taxes which are payable to the Iowa taxing authorities are generally available approximately 30 days prior to due date for payment. Upon receipt of such tax bills or statements by Lessee, Lessee will furnish a statement to BRAE of the amount for which BRAE is responsible hereunder. BRAE agrees to promptly remit such amount to Lessee so that it can be used for payment of the tax bills before they become overdue. If BRAE's payment is delayed, BRAE shall be responsible for any liability, costs and penalties for which Lessee becomes obligated because of such delay.

BRAE shall identify in writing its authorized representative relative to tax matters under this Lease Agreement. Lessee shall consult with such authorized representative prior to filing of any tax report or tax return involving the Cars in order to give such authorized representative a reasonable opportunity to make recommendations to minimize BRAE's tax responsibility. BRAE agrees that such recommendations will be made in a manner which will not delay Lessee in meeting any deadline of the taxing authority. Lessee agrees to follow any representative so long as such recommendation does not adversely affect Lessee in any way. BRAE shall be responsible for all additional costs and expenses incurred by Lessee in following such recommendation, and all liability, costs and penalties resulting from following such recommendations.

Lessee agrees to give BRAE's authorized representative prior notice of any meeting conducted with the taxing authority regarding taxes for which BRAE is responsible hereunder. Such notice shall be given in order to give BRAE's authorized representative reasonable opportunity to attend such meeting.

BRAE shall have the right at its sole risk and expense to contest or appeal any ruling made by any taxing authority regarding taxes for which BRAE is responsible hereunder.

E. BRAE agrees, at its expense, to obtain Physical Damage, Comprehensive General Liability Insurances for those perils of loss and for Limits of Liability usual and customary to the industry insuring the Cars for the interest of Lessor with Lessee as Additional Insured. BRAE shall defend, protect and indemnify Lessee for its liability involving leasing of the Cars, except liability proximately caused by the fault of negligence of Lessee. The policies shall provide for thirty (30) days written notice of cancellation or reduction of coverage. Certificates evidencing such insurance shall be delivered to Lessee prior to commencement of the lease terms as to the first Car.

F. As provided for in Sections 5A and 5B, BRAE shall be liable for maintenance expenses on the Cars. Lessee shall deduct maintenance billing costs from monthly earning payments made to BRAE in accordance with Section 6C on a net settlement basis. Lessee shall provide documentation of Lessee's maintenance invoice costs in the form of copies of invoice statements or a report approved by BRAE and to be received by BRAE 30 days after such invoice by Lessee.

under such financing agreement, such party may require that rent shall be paid directly to such party and that Cars be returned to such party at the end of the term. Lessee agrees that to the extent it has physical possession and can control use of the Cars, the Cars will at all times be used and operated under and in compliance with the laws of the jurisdictions in which they may be located and in compliance with all lawful acts, rules and regulations, and orders of any governmental agency having power to regulate or supervise the use of the Cars, except that BRAE may in good faith and by appropriate proceedings contest the application of any such rule, regulation or order in any reasonable manner at BRAE's expense.

B. Lessee will not directly or indirectly create, incur, assume, or suffer to exist (except as provided in Section 7A) any mortgages, pledge, lien, charge, encumbrance, or other security interest or claim on or with respect to the Cars or any interest therein or in this Agreement or any Schedule. Lessee will promptly, at its expense, take such action as may be necessary duly to discharge any such mortgage, pledge, lien, charge, encumbrance, security interest, or claim which may arise.

C. Lessee agrees that the Cars shall be used predominantly within the continental United States of America.

8. Default

A. The occurrence of any of the following events shall be an Event of Default:

(i) The nonpayment by Lessee of any sum required herein to be paid by Lessee within thirty days after written notice from BRAE that such payment is due;

(ii) Failure of Lessee to exercise all due effort to direct Cars to shipper location;

(iii) The breach by Lessee of any other agreement or covenant contained in this Agreement, which is not cured within ten days after BRAE has given Lessee notice thereof;

(iv) Any act of insolvency or bankruptcy by Lessee, or the filing by Lessee of any petition or action under any bankruptcy, reorganization, insolvency or moratorium law, or any other law for the relief of, or relating to, debtors;

(v) The filing of any involuntary petition under any bankruptcy, reorganization, insolvency, or moratorium law against Lessee that is not dismissed within 60 days thereafter, or the appointment of any receiver or trustee to take possession of the properties of Lessee, unless such petition or appointment, is set aside or withdrawn or ceases to be in effect within 60 days from the date of filing or appointment;

(vi) The subjection of any of Lessee's property to any levy, seizure, assignment, application or sale for or by any creditor or governmental agency;

(vii) Any action by Lessee to discontinue rail service on all or a portion of its tracks or abandon any of its rail properties pursuant to any applicable provision of law which may affect Lessee's ability to perform under the terms of this agreement; or

(viii) The merger or consolidation of Lessee into another corporation which after such merger or consolidation shall have a net worth less than that of Lessee immediately prior thereto.

B. Upon the occurrence of any Event of Default, BRAE may, at its option:

(i) Terminate this Agreement, proceed by any lawful means to recover damages for a breach hereof and terminate Lessee's right of possession and use of the Cars, whereupon all right and interest of Lessee in the Cars shall terminate and BRAE may enter upon any premises where the Cars may be located and take possession of them and hold, possess and enjoy them free from

any right of Lessee; provided that BRAE shall nevertheless have the right to recover from Lessee any and all rental amounts which under the terms of this Agreement may then be due or which may have accrued to the date on which BRAE took such possession; or

(ii) Proceed by any lawful means to enforce performance by Lessee of this Agreement.

Lessee agrees to bear the costs and expenses, including without limitation, reasonable attorneys' fees, incurred by BRAE in connection with the exercise of its remedies pursuant to this Section 8B.

C. If an Event of Default shall occur, BRAE may exercise its remedies pursuant to Section 8B with respect to some or all of the Cars.

D. Upon the occurrence of any of the following events:

(i) The failure of any Car at any time to be placed in assigned service with a shipper agreed upon by BRAE and Lessee; or

(ii) The insolvency or bankruptcy of any shipper to which Cars are assigned or the filing by or against any shipper to which Cars are assigned of any petition or action under any bankruptcy, reorganization, insolvency or moratorium law or any other law for the relief of, or relating to, debtors;

BRAE may terminate this Agreement promptly upon 48 hours' notice to Lessee.

9. Termination

At the expiration or earlier termination of this Agreement with respect to any Car, Lessee will surrender possession of such Car to BRAE by delivering the same to BRAE at such place as BRAE reasonably may designate. A Car shall no longer be subject to this Agreement upon the removal of Lessee's railroad markings from such Car and the placing thereon of other markings designated by BRAE, either, at the option of BRAE, (i) by Lessee upon return of such Car to Lessee's railroad line or (ii) by another railroad line or shipper which has physical possession of the Car at the time of or subsequent to termination of this Agreement as to such Car. If any Car(s) is not on the railroad line of Lessee upon termination, the cost of assembling, delivery, storing and transporting such Car(s) to Lessee's railroad line or the railroad line transporting such Car to Lessee's railroad line or the railroad line of a subsequent Lessee shall be borne by BRAE. After the removal and replacement of markings, Lessee shall use its best efforts to load such Car with freight and deliver it to a connecting carrier for shipment. Lessee shall provide up to 30 days' free storage on its railroad tracks for BRAE or the subsequent lessee of any Car. If any Car is terminated pursuant to Sections 6E or 8 prior to the end of its lease term, Lessee shall be liable to BRAE for all costs and expenses incurred by BRAE to repaint such Car and to place thereon the markings and name or other insignia of BRAE's subsequent lessee.

10. Representations, Warranties and Covenants

Lessee represents, warrants and covenants that:

(i) Lessee is a corporation duly organized, validly existing and in good standing under the laws of the state where it is incorporated and has all necessary corporate power and authority, permits and licenses to perform its obligations under this Agreement.

(ii) The execution of this Agreement and the performance of the transactions contemplated hereby will not violate any judgment, order, law or regulation applicable to Lessee, or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest, or other encumbrance upon any assets of Lessee or on the Cars pursuant to any instrument to which Lessee is a party or by which it or its assets may be bound.

(iii) There is no action or proceeding pending or threatens against Lessee before any court or administrative agency or other governmental body which might result in any material adverse effect on the business, properties, assets or condition, financial or otherwise, of Lessee.

(iv) There is no fact which Lessee has not disclosed to BRAE in writing, nor is Lessee a party to any agreement or instrument, nor is it subject to any charter or other corporate restriction, which, as far as the Lessee can now reasonably foresee, will individually or in the aggregate materially impair the ability of Lessee to perform its obligations under this Agreement.

(v) No shipper to which the Cars have been or will be assigned has a facility located on Lessee's railroad line. Lessee does not and will not participate at any time in transporting any commodities of any such shipper.

(vi) Lessee has filed or caused to be filed with the ICC all tariffs and other documents and notices which may be required to be filed by it in accordance with the transactions contemplated by this Agreement.

11. Inspections

BRAE may at any time during normal business hours enter any premises where the Cars may be located for the purpose of inspecting and examining the Cars to insure Lessee's compliance with its obligations hereunder. Lessee shall immediately notify BRAE of any accident connected with the malfunctioning or operation of the Cars, including in such report the time, place and nature of the accident, the damage caused, the names and addresses of any persons injured and of witnesses and any other information pertinent to Lessee's investigation of the accident. Lessee shall also notify BRAE in writing within five days after any encumbrance, tax lien or other judicial process shall attach to any Car. Lessee shall furnish to BRAE promptly upon its becoming available, a copy of its annual report submitted to the ICC and, when requested, copies of any other financial statements submitted to the ICC or its shareholders generally.

12. Miscellaneous

A. This Agreement and Schedules shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns, except that Lessee may not without the prior written consent of BRAE assign this Agreement or any of its rights hereunder or sublease the Cars to any party. Any purported assignment or sublease without such consent shall be void.

Without limiting the generality of the preceding paragraph, BRAE may assign this Agreement, as it relates to specified Cars, to the owner of such Cars, provided that BRAE or one of its affiliates enters into a management agreement with such owner relating to its Cars upon terms generally similar to those prevailing in the industry. Upon delivery to Lessee of a notice signed by BRAE regarding such an assignment and the effectiveness of the related management agreement:

(i) the term "BRAE" when used herein shall mean the assignee of the lease with respect to such Cars

(ii) BRAE shall be relieved of all of its obligations and liabilities under this Agreement relating to such Cars

(iii) Lessee shall with respect to such Cars look solely to their owner for the performance of BRAE's obligations hereunder.

Lessee hereby agrees that any such assignment may relate to all or part of the Cars and all or part of the Cars listed on any Schedule.

B. Each party agrees to execute the documents contemplated by this Agreement and such other documents as may be required in furtherance of any agreement entered into in connection with the acquisition of the Cars or in order to confirm the owner's interest in and to the Cars, this Agreement and the schedules or to confirm the subordination provisions contained in Section 7.

C. This Agreement constitutes a lease of the Cars only. No joint venture or partnership is being created. Notwithstanding the calculation of rental payments, nothing herein shall be construed as conveying to Lessee any right, title or interest in the Cars except as a lessee.

D. No failure or delay by BRAE shall constitute a waiver or otherwise affect or impair any right, power or remedy available to BRAE, nor shall any waiver or indulgence by BRAE or any partial or single exercise of any right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

E. This Agreement shall be governed by the laws of the State of California.

F. All notices hereunder shall be in writing and shall be deemed given when delivered personally or 72 hours after deposit in the United States mail, postage prepaid, certified or registered, addressed as follows:

If to BRAE:

BRAE Corporation
Three Embarcadero Center
San Francisco, CA 94111
Attention: Director of Operations

If to Lessee:

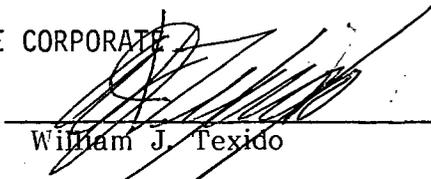
Waterloo Railroad Company
233 North Michigan Avenue
Chicago, IL 60601
Attention: Treasurer

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

LESSOR:

BRAE CORPORATE

By:



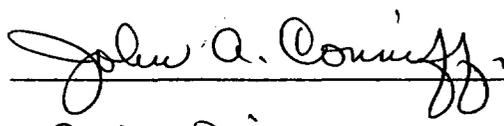
William J. Texido

Title: President

Date: December 23, 1980

LESSEE:

By:



Title: Vice President

Date: 12-1-80

EQUIPMENT SCHEDULE NO. 1

BRAE CORPORATION agrees to lease the following railcars to WATERLOO RAILROAD COMPANY, pursuant to the Lease Agreement dated as of November 5, 1980.

A.A.R. Mech. Design	Description	Numbers	Length	Dimensions		Doors Width	No. of Cars
				Inside Width	Height		
XP	50' 100-ton boxcars with lading anchors	WLO 531200- 531249	50'6"	9'6"	11' 1-11/16"	10'	50

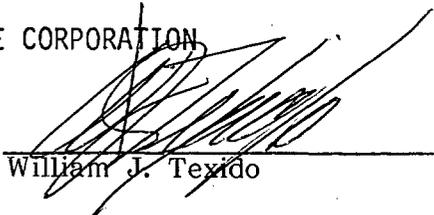
Shipper using equipment: Crown Zellerbach

Shipper location: St. Francisville Plant

LESSOR:

BRAE CORPORATION

By:


William J. Texido

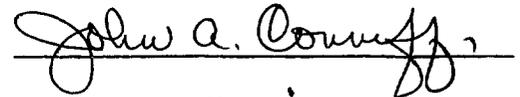
Title: President

Date: December 23, 1980

LESSEE:

WATERLOO RAILROAD COMPANY

By:



Title: Vice President

Date:

12-1-80

STATE OF Illinois
COUNTY OF Cook

On this 1st day of December, 19 80,
before me personally appeared John A. Conniff, to me
personally known, who being by me duly sworn says that such person is
Vice President of Waterloo Railroad,
and that the foregoing Lease Agreement, Rider (s) No. _____ and
Equipment Schedule(s) No. 1 were signed on behalf of said corp-
oration by authority of its board of directors, and such person
acknowledged that the execution of the foregoing instruments were the
free acts and deeds of such corporation.

Michael J. Pizer
Notary Public
My Commission Expires Jan. 27, 1982

(seal)

STATE OF CALIFORNIA)
CITY AND COUNTY OF SAN FRANCISCO)

On this 23rd day of December, 19 80, before
me personally appeared William J. Lepido, to me personally
known, who being by me duly sworn says that such person is
President of BRAE CORPORATION, and that the foregoing
Lease Agreement, Rider(s) No. _____ and Equipment Schedule(s)
No. _____ were signed on behalf of said corporation by authority
of its board of directors, and such person acknowledged that the execution
of the foregoing instruments were the free acts and deeds of such corporation.

Nancy M. Derry
Notary Public

