

RECORDATION NO. 12773
JAN 16 1981 - II 50 AM
INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 12773-A
JAN 16 1981 - II 50 AM
INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 12773-4
JAN 16 1981 - II 50 AM
INTERSTATE COMMERCE COMMISSION

AMERICAN LEASING INVESTORS II
666 THIRD AVENUE
NEW YORK, NEW YORK 10017

No. 1-016A063
Date.....
Fee \$ 1.00.00

December 24, 1980

ICC Washington, D. C.

Mrs. Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
Washington, D. C. 20423

Dear Madam:

Pursuant to 49 U.S.C. §11303(a) I enclose herewith for recordation copies of each of the following original executed duly acknowledged documents:

1. Lease Agreement dated December 4, 1980 between Brae Railcar Management, Inc., as lessor, Richard B. Ogilvie, Trustee of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, as lessee.
2. Assignment of Lease Agreement dated December 19, 1980 between Brae Railcar Management, Inc., assignor, and American Leasing Investors II, as assignee.
3. Management Agreement dated December 19, 1980 among American Leasing Investors II, as owner, Brae Railcar Management, Inc., as manager, and Brae Corporation, as guarantor of the performance of Brae Railcar Management, Inc.

The equipment covered by the three documents described above consists of 50 100 ton 4,750 cubic foot covered hopper cars bearing the road numbers MILW 102250 - 102299.

RECEIVED
JAN 16 10 35 AM '81
I.C.C.
FEE OPERATION BR.

The addresses of the parties to the aforementioned agreements are:

American Leasing Investors II
666 Third Avenue
New York, New York 10017

Brae Railcar Management, Inc.
Three Embarcadero Center
San Francisco, California 94111

Brae Corporation
Three Embarcadero Center
San Francisco, California 94111

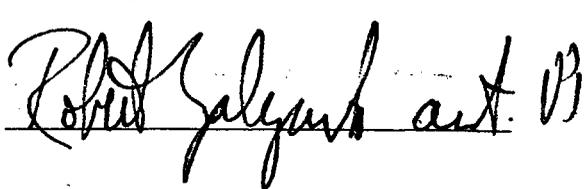
Richard B. Ogilvie, Trustee of the
Property of Chicago, Milwaukee, St. Paul
and Pacific Railroad Company
516 West Jackson Boulevard
Chicago, Illinois 60606

Enclosed is our check for \$100.00 for the required recordation fee. Please accept for recordation one counterpart of each of the enclosed agreements, stamp the remaining counterparts with your recordation number and return them ~~to the delivering messenger~~ along with your fee receipt, addressed to Ronald M. Feiman, Esq., Gordon Hurwitz Butowsky Baker Weitzen & Shalov, 299 Park Avenue, New York, New York 10171 (212) 486-1550.

Very truly yours,

AMERICAN LEASING INVESTORS II

By: ALI SECOND MANAGEMENT
SERVICES CORP.,
Managing General Partner

By:  Robert Salzman aut. B

Interstate Commerce Commission

Washington, D.C. 20423

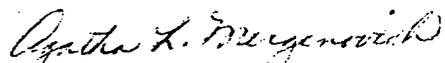
OFFICE OF THE SECRETARY

Ronald M. Feiman, Esq.
Gordon Hurwitz Butowsky
Baker Weitzen & Shalov
299 Park Avenue
New York, New York 10171

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 1/16/81 at 11:50AM, and assigned re-
recording number(s) 12773, 12773-A, 12773-B.

Sincerely yours,


Agatha L. Mergenovich
Secretary

Enclosure(s)

JAN 16 1981 - 11 50 AM

INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF LEASE AGREEMENT

WHEREAS, Brae Railcar Management, Inc. a California corporation ("BRAE"), and Richard B. Ogilvie, not individually but solely as Trustee of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, Debtor (the "Milwaukee"), entered into a lease agreement dated December 4, 1980, as supplemented and modified (the "Lease"), with BRAE as Lessor and the Milwaukee as Lessee, a complete copy of which is attached hereto as Exhibit "A", providing for the lease by BRAE to the Milwaukee of 50 4750 cubic foot covered hopper cars designated AAR Car numbers MILW 102250 through 102299 (the "Cars"); and

WHEREAS, pursuant to the terms of the Lease, BRAE may assign all or any of its rights under the Lease; and

WHEREAS, BRAE desires to assign all of its rights under the Lease to American Leasing Investors II, a California limited partnership ("ALI"); and

WHEREAS, ALI has entered into an agreement to become owner of the Cars and a management agreement for the management of the Cars by BRAE;

NOW, THEREFORE, in consideration of the premises contained herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, ALI and BRAE agree as follows:

1. BRAE hereby sells, assigns, conveys, transfers and delivers to ALI all of its right, title, and interest in, to and under the Lease, which right, title and interest has not previously been sold, assigned, transferred or otherwise encumbered.

2. BRAE covenants and agrees that it shall take all required actions under the Lease to effectuate the assignment of the Lease to ALI hereunder.

3. ALI hereby accepts the assignment contained in Section 1. hereof and covenants with BRAE to assume, faithfully perform, satisfy and/or discharge all of the terms, conditions, obligations and/or responsibilities which were to have been performed, satisfied or discharged by BRAE under the Lease; provided, however, that ALI's obligations hereunder

are conditioned on the delivery, acceptance and placement in service of the Cars on or prior to December 31, 1980.

IN WITNESS WHEREOF, BRAE AND ALI have caused this Assignment of Railroad Lease Agreement to be duly executed as of this 19 day of December, 1980

BRAE RAILCAR MANAGEMENT, INC.

By: J. J. Kenna
Title: President

AMERICAN LEASING INVESTORS II

by its Managing General Partner
ALI ^{Service} Management ^{Corp.} Corp.

By: Robert Zalaznick
Title: asst. VP.

STATE OF New York)
) SS:
COUNTY OF New York)

On this 19th day of December, 1980, before me personally appeared Gerry Bessen, to me personally known, who being by me duly sworn says that such person is President of BRAE RAILCAR MANAGEMENT, INC., and that the foregoing Assignment was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of such corporation.

Cheryl G. Wiener
NOTARY PUBLIC

CHERYL G. WIENER
Notary Public, State of New York
No. 24-4648329
Qualified in Kings County
Commission Expires March 30, 1981

STATE OF New York)
) SS:
COUNTY OF New York)

On this 19th day of December, 1980, before me personally appeared Robert Zalaznick, to me personally known, who being by me duly sworn says that such person is the Asst Vice President of ALI ^{SECOND} Management ^{SERVICE} Corporation, the Managing General Partner of American Leasing Investors II, a California limited partnership, and that the foregoing Assignment was signed on behalf of said partnership by authority of its Managing General Partner, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of such partnership.

Cheryl G. Wiener
NOTARY PUBLIC

CHERYL G. WIENER
Notary Public, State of New York
No. 24-4648329
Qualified in Kings County
Commission Expires March 30, 1981

BRAE RAILCAR MANAGEMENT, INC.

LEASE AGREEMENT

THIS AGREEMENT, dated December 4, 1980 by and between BRAE RAILCAR MANAGEMENT INC. a California corporation (hereinafter called "Lessor"), and Richard B. Ogilvie, Trustee of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, Debtor, with its principal place of business at 516 West Jackson Boulevard, Chicago, Illinois 60606 (hereinafter called "Lessee"),

WITNESSETH:

1. Lessor agrees to furnish and lease to Lessee, and Lessee agrees to accept and use upon the terms and conditions herein set forth, the cars covered by the riders attached hereto and such additional riders as may be added hereto from time to time by agreement of the parties, and any and all other cars delivered to and accepted by Lessee. Each such rider shall set forth the number of cars, the rental rate, term of use, car numbers, and other pertinent information that may be desired by both parties. All cars leased pursuant to such riders, or otherwise delivered to and accepted by Lessee, are subject to the terms of this Agreement.

2. Lessor agrees to deliver the cars to Lessee at a point or points designated by Lessee. Lessor's obligation as to such delivery shall be subject to all delays resulting from causes beyond its control. Lessee agrees to use the cars exclusively in its own service, except as hereinafter provided, and none of the cars shall be shipped beyond the boundaries of the United States or Canada except with the prior written consent of Lessor. Lessee agrees that if any of the cars are used outside of the continental United States, Lessee shall reimburse Lessor for any customs, duties, taxes, investment tax credit reductions or other expenses resulting from such use.

3. Lessee agrees to pay the rental charges specified in Rider No. 1 with respect to each of the cars from the date of delivery thereof and until such car is returned to Lessor. Such rental charges shall be paid to Lessor at its principal office, 3 Embarcadero Center, San Francisco, California 94111 in advance on the first day of each month, prorating, however, any period which is less than a full month.

4. Each of the cars shall be subject to Lessee's inspection upon delivery to Lessee. Failure to report any defect in the car within a reasonable time after delivery of the car or the loading of each such car by Lessee or at its direction shall constitute acceptance thereof by Lessee, and shall be conclusive evidence of the fit and suitable condition thereof for the purpose of transporting the commodities then and thereafter loaded therein or thereon.

5. Lessee shall keep all records pertaining to the movement of the cars, both on its lines and on the lines of other railroads, during such periods.

6. Lessee shall promptly notify Lessor upon receipt by Lessee of knowledge of any damage to any of the cars. Lessor agrees to pay for the maintenance and repair of the cars, except as hereinafter provided. Lessee shall not repair, or authorize the repair of, any of the cars without Lessor's prior written consent, except that running repairs (as specified in the Association of American Railroads Rules for Interchange) may be performed without prior written consent. The amount Lessor will pay for such running repairs shall not be in excess of the basis, in effect at the time the repair is made, provided by the Association of American Railroads. If any car becomes unfit for service and shall be held in a car shop for repairs, the monthly rental with respect to such car shall abate from and after the date of arrival at shop (or five days after the Lessee has notified the Lessor that said car is in need of repair if the Lessor has not provided disposition for said car during this five day period) until such car is released from the shop or until another car (of the same type and capacity) shall have been placed in the service of Lessee by Lessor in substitution for such car. It is understood that no rental credits will be issued for cars in a shop for repairs which are Lessee's responsibility. Lessee shall be responsible for all charges and costs incurred in shipping the cars into a shop for repairs or required modifications and back to Lessee.

7. In the event any car is totally damaged or destroyed, the rental with respect to such car shall terminate upon receipt by Lessor of notification thereof, and in the event any car is reported to be bad ordered and Lessor elects to permanently remove such car from Lessee's service rather than have such car taken to a car shop for repairs, the rental with respect to such car shall terminate upon receipt by Lessor of notification that such car was bad ordered. Lessor shall have the right, but shall not be obligated, to substitute for any such car another car of the same type and capacity and the rental in respect to such substituted car shall commence upon delivery of such substituted car to Lessee.

8. In the event that any of the cars, or the fittings, appliances or appurtenances thereto, shall be damaged, ordinary wear and tear excepted, or destroyed either as a result of the acts of any of the Lessee's employees, agents or customers or from any commodity or other material loaded therein or thereon, Lessee agrees to assume financial responsibility for such damage or destruction, but not for such responsibility which is that of other parties as defined under the Association of American Railroads Rules for Interchange.

9. Lessor shall not be liable for any loss of or damage to commodities, or any part thereof, loaded or shipped in or on the cars, and Lessee agrees to assume financial responsibility for, to indemnify Lessor against, and to save it harmless from any such loss or damage.

10. Lessee, at its own expense, shall either replace or reimburse Lessor for the cost of replacing any appliance or removable part, if destroyed, damaged, lost, removed or stolen, unless the railroad transporting the cars has assumed full responsibility for such loss or damage, or unless such loss or damage results from the negligence or omission of Lessor, its agents or employees.

11. The application, maintenance and removal of interior protective lining in any of the cars is to be performed by and at the expense of Lessee unless otherwise specifically provided for in the applicable rider.

12. Lessee agrees to indemnify and hold Lessor harmless from and against any loss, liability, claim, damage or expense (including, unless Lessee assumes the defense, the reasonable cost of investigating and defending against any claim for damages) arising out of or in connection with the use of the cars during the term of this Agreement, excepting, however, any loss, liability, claim, damage or expense which accrues with respect to any of the cars: (i) while such car is in a repair shop undergoing repairs; (ii) which is attributable to the negligence or omission of Lessor, its agents or employees; or (iii) for which another railroad or railroads have assumed full responsibility, including investigating and defending against any claim for damages.

13. The cars shall bear the Lessee's markings described in the applicable rider and no other lettering or marking of any kind shall be placed upon any of the cars by Lessee except with the prior written consent of Lessor.

14. Lessee agrees not to load any of the cars in excess of the load limit stenciled thereon.

15. Lessee shall be liable for any demurrage, track storage or detention charge imposed in connection with any of the cars as well as loss of or damage to any car while on any private siding or track or on any private or industrial railroad or in the custody of any carrier not subject to the Association of American Railroads Rules for Interchange.

16. Lessee shall make no transfer or assignment of its interest under this Agreement in and to the cars without Lessor's prior written consent which consent shall not be unreasonably withheld; provided, however, that notwithstanding any such sublease, Lessee shall continue to remain liable to Lessor under all conditions and terms of this Agreement. No right, title or interest in any of the cars shall vest in Lessee by reason of this Agreement or by reason of the delivery to or use by Lessee of the cars, except the right to use the cars in accordance with the terms of this Agreement and the rules specified in the Association of American Railroads Rules for Interchange.

17. The occurrence of any of the following shall constitute an Event of Default: (i) the failure by Lessee to make any payment of fixed or additional rent or other amount required to be paid by Lessee under this Agreement within ten days after the date such payment is due; (ii) any breach by Lessee of any agreement or covenant contained in this Agreement, which is not cured within 30 days after notice thereof from Lessor to Lessee.

Upon the occurrence of any Event of Default, Lessor may, at its option: (i) proceed by appropriate court action or actions either at law or in equity to enforce specific performance by Lessee of this Agreement and/or to recover damages for breach hereof; or (ii) terminate this Agreement, whereupon all rights of Lessee to the use of the cars shall absolutely cease and terminate as though this Agreement had never been made, and all fixed rent not theretofore due and payable with respect to the cars shall forthwith become due and payable.

Any proceeds to Lessor from reletting the cars shall be applied first to the expenses incurred in reletting the Cars (including, but not limited to, all costs of repossession and delivery of the Cars to the new lessee) and then in payment of the amount due Lessor under this Agreement.

It is expressly understood that if the Lessee is ordered by its Reorganization Court to terminate the lease in connection with the discontinuance of substantially all service or the liquidation of substantially all of the Lessee's assets, this lease shall terminate, the Lessee shall surrender possession of all the cars to the Lessor, and the Lessor shall have no claim against the Lessee other than for rental charges and other obligations which accrued hereunder up to the date of such surrender of possession.

18. Upon the termination of each rider, Lessee agrees, subject to the provisions of paragraph 8 above, to return the cars to Lessor at the final unloading point or at such other place or places as are mutually agreed to on the railroad line of the Lessee, in the same or as good condition as received, ordinary wear and tear excepted, free from all charges and liens which may result from any act or default of Lessee, and free from all accumulations or deposits from commodities transported in or on the cars while in the service of Lessee. If any car is not returned to Lessor free from such accumulations or deposits, Lessee shall reimburse Lessor for any expense incurred in cleaning such car.

19. Lessor agrees to assume responsibility for and to pay all property taxes levied upon the cars and to file all property tax reports relating thereto. Lessee agrees to assume responsibilities for and to pay any applicable state sales, use or similar taxes resulting from the lease or use of the cars (other than sales tax payable on the purchase of said cars by Lessor).

20. Lessor's rights hereunder may be assigned, mortgaged or otherwise transferred, either in whole or in part, and Lessor may assign, mortgage or otherwise transfer title to any car with or without notice to Lessee*. This Agreement and all of Lessee's rights under this Agreement, and all rights of any person who claims rights under this Agreement through Lessee are subject and subordinate to the terms, covenants and conditions of all chattel mortgages, conditional sales agreements, assignments, equipment trust agreements, finance leases or other security documents covering the cars or any of them heretofore or hereafter created and entered into by Lessor and to all of the rights of any such chattel mortgagee, assignee, trustee, owner or other holder of interest in the cars. In the event of any such assignment, mortgage or transfer, Lessee agrees to execute any and all documents required by the assignee, mortgagee or transferee to confirm such third party's interest in and to the cars and this Agreement, and to confirm the subordination provisions contained in this paragraph. Lessee acknowledges and agrees that by execution of this Agreement it does not obtain, and by payment and performance hereunder it will not obtain, title to any car or any interest therein, except solely as lessee hereunder. Lessee shall keep the cars free from all encumbrances, liens and security interests of all kinds (other than those granted by Lessor), which could adversely affect Lessor's title thereto.

21. This Agreement shall be binding upon the parties hereto, their respective successors, assigns and legal representatives, and shall remain in full force and effect from the date hereof until termination.

In the event that any car is not redelivered to Lessor on or before the date of expiration of the original lease term set forth in the rider hereto, at Lessor's sole option, the term hereof as to such car may be deemed to be extended on a month to month basis (hereafter "Holdover Period"), and all of the obligations of Lessee under this Agreement with respect to such cars shall remain in full force and effect until all such cars are redelivered to Lessor. Lessor may at any time during the Holdover Period terminate this Agreement and take possession of the cars upon demand after 30 days written notice to Lessee.

22. Both parties agree to execute the documents contemplated by this transaction and such other documents as may reasonably be required in furtherance of this Agreement.

23. This Agreement shall be governed by and construed according to the laws of the State of Illinois.

24. All notices hereunder shall be in writing and shall be deemed given when delivered personally or when deposited in the United States mail, postage prepaid, certified or registered, addressed to the other party at the following addresses; if to Lessor: 3 Embarcadero Center, San Francisco, California 94111. If to Lessee: Richard B. Ogilvie, not individually but as Trustee of the property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, Debtor, 874 Union Station, 516 West Jackson Boulevard, Chicago, Illinois 60606 or to such other address as the parties hereto may provide in writing.

* but subject to Lessee's rights hereunder

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

LESSOR:

BRAE RAILCAR MANAGEMENT, INC.

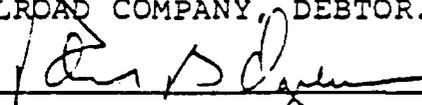
By 

Title V. President

Date December 4, 1980

LESSEE:

RICHARD B. OGILVIE, NOT INDIVIDUALLY BUT SOLELY AS TRUSTEE OF THE PROPERTY OF CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY, DEBTOR.

By 

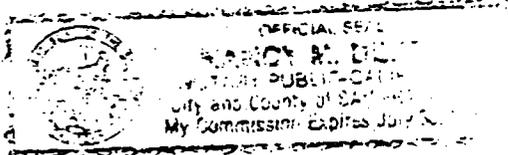
Title Trustee

Date December 4, 1980

State of California
City and County of San Francisco

On this 5th day of December, before me personally appeared William J. Sipe, to me personally known, who, being by me duly sworn says that he is Vice President of BRAE Railcar Management, Inc., and that the foregoing Lease Agreement and Equipment Schedule(s) were signed on behalf of such corporation by authority of its Board of Directors, and he acknowledged that the execution of such instruments were the free acts of such corporation.

Nancy M. Miley
Notary Public



My commission expires July 31, 1984.

(Notarial Seal)

State of . . . Illinois
County of . . . Cook

On this 4th day of December, 1980, before me personally appeared Richard B. Ogilvie, to me personally known, who, being by me duly sworn says that he is Trustee of the property of Chicago, Milwaukee, St. Paul & Pacific Railroad Company, Debtor, and that the foregoing Lease Agreement was signed by him, and he acknowledged that the execution of such instrument was his free act and deed and that this instrument was signed not individually but solely as Trustee of the Property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, Debtor.

Janice H. Easton
Notary Public

My commission expires July 24, 1982

(Notarial Seal)

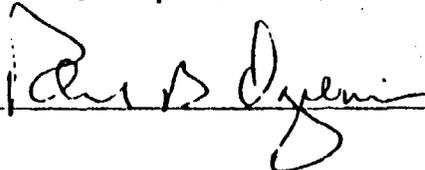
RIDER NO. 1

EQUIPMENT SCHEDULE

BRAE Railcar Management, Inc., or its assignee ("Lessor") hereby leases the following Cars to Richard B. Ogilvie, Trustee of the Property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, Debtor ("Lessee") on the terms and conditions contained in the Lease Agreement, as modified; to which this Schedule is attached.

AAR Mech. Design	Description	Numbers	Length	Dimensions			Number of Cars	Monthly Fixed Rent	Lease Period
				Inside Width	Height	Width			
LO	4750 cubic foot covered hoppers	MILW	(Specification Documents attached)				50	\$505.00	48 months

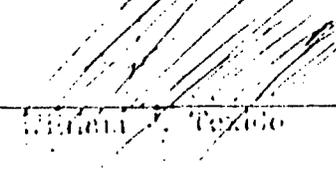
RICHARD B. OGILVIE, NOT INDIVIDUALLY BUT SOLELY AS TRUSTEE OF THE PROPERTY OF CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY, DEBTOR.

By 

Title Trustee

Date December 4, 1980

BRAE RAILCAR MANAGEMENT, INC.

By 

Title Vice President

Date December 4, 1980

RIDER NO. 1

This Rider No. 1 shall be attached to and forms a part of the Lease Agreement (the "Lease") dated December 4, 1980, by and between BRAE RAILCAR MANAGEMENT, INC., ("Lessor") and RICHARD B. OGILVIE, not individually, but solely as Trustee of the property of CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY ("Lessee").

The terms and conditions of this Rider No. 1 shall supercede and supplant any contrary or inconsistent terms or conditions of the Lease, with respect to the cars listed on the Rider No. 1 Equipment Schedule (the "Cars").

1. Term of Agreement

The term of this Agreement as to each Car shall begin on the date such Car reaches the delivery point specified in Item 3 below and terminate 48 months from the end of the calendar month in which this date occurs, unless earlier terminated as per Paragraph 17 of the Lease Agreement.

2. Additional Rent

For each mile in excess of $\frac{38,000 \times \text{days in service}}{365}$ that each Car covered by this Rider travels in a calendar year, there will be an additional charge of \$0.02.

3. Delivery Point.

Lessor shall deliver the Cars to Lessee at the following location or locations:

Louisville, Kentucky

Amendment to Paragraph 4.

Paragraph 4 of the Lease is hereby amended to read as follows:

4. Lessor 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 Lessor 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 Lessor's determination that the Car conforms to the specifications ordered by Lessor and to all applicable governmental regulatory specifications, and if this Agreement has not then been terminated, Lessor will accept delivery thereof at the manufacturer's facility

and shall notify Lessee in writing of such acceptance. The Cars shall be delivered to Lessee as provided in Paragraph 2 of the Lease Agreement and this Rider No. 1 at no cost to Lessee as soon after acceptance of delivery by Lessor as is consistent with mutual convenience and economy. Due to the nature of the railroad operations in the United States, Lessor can neither control nor determine when the Cars leased hereunder will actually be available to Lessee for its use on its railroad tracks. Notwithstanding that Lessee may not have immediate physical possession of a Car, the lease hereunder with respect thereto shall commence upon acceptance of such Car by Lessor from the manufacturer.

5. All Other Terms

All other terms or conditions of the Lease shall remain unchanged.

LESSOR:

BRAE RAILCAR MANAGEMENT, INC.

By



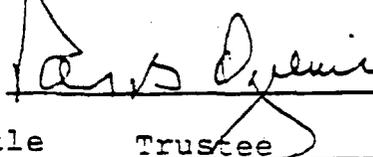
William J. Texido
Title V. President

Date December 5, 1980

LESSEE:

RICHARD B. OGILVIE, NOT INDIVIDUALLY BUT SOLELY AS TRUSTEE OF THE PROPERTY OF CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY, DEBTOR

By



Title Trustee

Date December 4, 1980