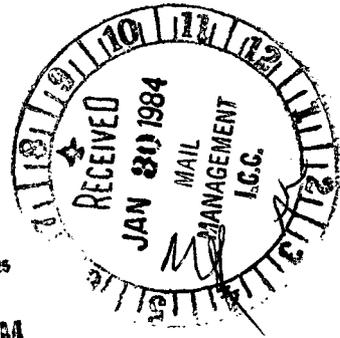


4-031A102

No.
Date JAN 31 1984
Fee \$ 50.00
ICC Washington, D.C.

LETTER OF TRANSMITTAL



Secretary of the Interstate
Commerce Commission
Constitution and 12th Street,
Washington, DC 20423

14263
RECORDATION NO. _____ Filed 1425

JAN 31 1984 2 15 PM

INTERSTATE COMMERCE COMMISSION

Dear Sir:

Pursuant to Part 1116 of the regulations of the Interstate Commerce Commission, 49 CFR Part 1116, I hereby request that you record under 49 U.S.C. §11303 that certain Equipment Lease No. 8305 dated as of December 1, 1983 between Portec Lease Corp. and Iowa Railroad Company. Three originals of said Lease are enclosed herewith for filing purposes.

Lessee

Iowa Railroad Company
P.O. Box 10355
Des Moines, Iowa 50306

Lessor

Portec Lease Corp.
300 Windsor Drive
Oak Brook, Illinois 60521

RECEIVED
JAN 31 2 43 PM '84
I.C.C.
FEE OPERATION BR.

The equipment covered by the aforesaid Lease is one (1) Portec, Inc. - RMC Brush Cutter with Serial Number BC209.

The documents should be returned to W. W. Farnsworth, Portec Lease Corp., 300 Windsor Drive, Oak Brook, IL 60521.

A \$50.00 check, payable to the Interstate Commerce Commission, also is enclosed to cover the required recordation fee.

I am an officer of Portec Lease Corp. and have knowledge of the matters set forth herein.

Very truly yours,

PORTEC LEASE CORP.

By W.W. Farnsworth

Dated: January 27, 1984

Interstate Commerce Commission
Washington, D.C. 20423

1/31/84

OFFICE OF THE SECRETARY

W.W.Farnsworth
Portec Lease Corp.
300 Windsor Drive
Oak Brook, Illinois 60521

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 **1/31/84** at **2:55pm** and assigned re-
recording number(s).

14263 & 14264

Sincerely yours,



JAMES H. BAYNE

Secretary

Enclosure(s)

SE-30
(7/79)

Lease No. 8305

14263
REGISTRATION NO. Filed 1426

JAN 31 1984 -2 15 PM

INTERSTATE COMMERCE COMMISSION

LEASE OF EQUIPMENT

Dated as of December 1, 1983

between

PORTEC LEASE CORP.
as Lessor

and

Iowa Railroad Company
as Lessee

PORTEC LEASE CORP.
EQUIPMENT LEASE AGREEMENT

This Equipment Lease Agreement, made this 1st day of December, 1983, hereinafter referred to as "Lease," between PORTEC Lease Corp. hereinafter referred to as "Lessor", a Delaware Corporation, with offices at 300 Windsor Drive, Oak Brook, Illinois 60521, a separate and distinct entity from its parent, Portec, Inc., the "Manufacturer", and Iowa Railroad Company, hereinafter referred to as "Lessee", an Iowa Corporation with offices at 4th Street and Vine, P.O. Box 10355, Des Moines, Iowa 50306.

WITNESSETH

WHEREAS, the Lessee desires to lease the equipment referred to in Schedule A, referred to as "the Units", at the rentals, for the term and upon the conditions hereinafter provided:

NOW, THEREFORE, in consideration of the promises and of the rentals to be paid and the covenants hereinafter mentioned to be kept and performed by the Lessee, the Lessor hereby leases the Units to the Lessee upon the following terms and conditions.

SECTION 1. - DELIVERY AND ACCEPTANCE OF UNITS

§1.1. The Lessor will tender each Unit to the Lessee per Lessee's instruction. Upon such tender, the Lessee will cause an authorized representative of the Lessee to inspect the same, and if such unit is found to be in proper operating condition, to accept delivery of such Unit and shall be subject thereafter to all of the terms and conditions of this Lease. A Unit accepted by Lessee shall be presumed to be in good, safe and serviceable condition, without exception.

§1.2. In the event of notice to the Lessor by the Lessee is given within ten days after acceptance that a Unit was not delivered in good, safe and serviceable condition, the Lessor shall have the right to put said Unit in good, safe and serviceable condition, within a reasonable time, or to cancel the part of this Lease applicable to such Unit.

§1.3. Lessor shall not be liable in any event to the Lessee for any loss, delay or damage of any kind or character resulting from defects in, or inefficiency of Units hereby leased.

SECTION 2. - RENT

§2.1. Lessee agrees to pay Lessor \$11,510.00 monthly, in advance, as fixed rental for the Units for a term of 12 months.

§2.2. Lessee shall make payment of all sums due hereunder to Lessor in U.S. funds at such address as Lessor may direct. Rental payments shall be made monthly in advance on or before the 1st day of each month for which such rental is due, except that the first full month's payment shall, in addition, include rental covering any prior period of less than one month.

§2.3. The rent amounts payable to the Lessor hereunder shall continue to be payable, in all events, unless the obligation to pay the same shall be terminated pursuant to Section 11 hereof.

§2.4. Lessee shall be liable at all times for and shall pay or reimburse Lessor for payment of (i) all Federal, State or other governmental property taxes assessed or levied against the Units, (ii) all Federal, State or local sales or use taxes imposed upon or in connection with the Units, this Lease, or the manufacture, acquisition, or use of the Units for or under this Lease, (iii) all taxes, duties or imposts assessed or levied on the Units of this Lease by a foreign country and/or any governmental subdivision thereof and (iv) all taxes or governmental charges assessed or levied upon its interest as Lessee of Units.

§2.5. This lease is a net lease and the Lessee shall not be entitled to any abatement of rent or reduction thereof, including, but not limited to, abatements or reductions due to any present or future claims of the Lessee against the Lessor under this Lease or otherwise; nor except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Lessor or the Lessee be otherwise affected, by reason of any defect in or damage to or loss or destruction of all or any of the Units from whatsoever cause, the taking or requisitioning of a Unit, by condemnation or otherwise, the lawful prohibition of the Lessee use of the Unit, the interference with such use by any private person or corporation, the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease, or lack of right, power or authority of the Lessor to enter into this Lease, or for any cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events unless the obligation to pay the same shall be terminated pursuant to Section 11 hereof.

GR
~~§2.6. It is understood and agreed that Lessor will claim all of the Investment Tax Credit and ACRS allowed under the U.S. Internal Revenue Code of 1954, as amended, and Lessee hereby agrees, in the event Lessor is prevented by any cause within Lessee's reasonable control from realizing the full benefit of such Investment Tax Credit or ACRS deductions, to pay as Additional Rent, upon Lessor's demand, a sum which, after deduction of all taxes required to be paid by Lessor in respect of the receipt of such Additional Rent, will equal the amount of such Investment Tax Credit or ACRS deductions not realized by Lessor. Provided, however, Lessee has not paid Lessor the Casualty Loss Value for that Unit.~~

~~§2.7. The investment tax credit on the Units will be retained by the Lessor.~~

SECTION 3. - TERM OF THE LEASE

The term of this Lease shall begin on the date of delivery of the units and, subject to the provisions of Section 11, shall terminate 12 months after the date of delivery unless sooner terminated in accordance with the provisions of this document.

SECTION 4. - TITLE TO THE UNITS

§4.1. ~~Lessor~~ *Lessee GR* has full legal title to the Units, and it is understood that Lessee shall acquire no right, title and interest to the Units except as specifically provided hereunder, notwithstanding the delivery of the Units to and the possession and use thereof by the Lessee.

§4.2. Lessee shall maintain throughout the term of this Lease any labels which Lessor has affixed to the Units disclosing Lessor's ownership thereof, without material change in their location, legibility or prominence.

SECTION 5. - WARRANTY SECTION TERMS AND CONDITIONS

§5.1. Lessor hereby irrevocably assigns to Lessee whatever claims and rights the Lessor may have against the Manufacturer under the provisions of the Manufacturers' warranty agreement, and Lessor agrees to execute and deliver such documents as may be necessary to enable Lessee to obtain customary warranty service and servicing obligations furnished by the Manufacturer. The Lessor shall have no responsibility or liability to the Lessee or any other person with respect to any of the following:

(a) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Units or by any inadequacy thereof or efficiency or defect therein or by any other circumstances in connection therewith;

(b) the use, operation or performance of any Units or any risks relating thereto;

(c) any interruption of service, loss of business or anticipated profits or consequential damages; or

(d) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Units.

§5.2. Lessor shall have no liability under this warranty when adjustments, alterations, or repairs to Manufacturer's products have been made or attempted before written notification of alleged defects is given to Manufacturer and its recommendations received and followed.

§5.3. THE ABOVE WARRANTIES APPLY TO THE PURCHASER ONLY AND SHALL BE EXCLUSIVE AND IN LIEU OF ANY AND ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED. UNDER NO CIRCUMSTANCES, WILL LESSOR BE LIABLE FOR COSTS OR EXPENSES IN CONNECTION WITH THE REMOVAL OR REPLACEMENT OF ALLEGED DEFECTIVE PARTS NOR FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY TYPE.

SECTION 6. - INDEMNITIES

Lessee agrees to indemnify Lessor and hold it harmless from any loss, expense, or liability which Lessor may suffer or incur from any charge, claim, proceeding, suit or other event which in any manner or from any cause arises in connection with the use, possession or operation of the Units while subject to this Lease, excepting only any such loss, expense or liability which arises solely from Lessor's negligence. The indemnities and assumptions of liability herein contained shall survive the termination of this Lease. Each party shall, upon learning of same, give the other prompt notice of any claim or liability hereby indemnified against.

SECTION 7. - USE AND MAINTENANCE OF UNITS

§7.1. Throughout the continuance of this Lease so long as Lessee is not in default under this Lease, Lessee shall be entitled to possession and quiet enjoyment from the date the Lease becomes effective as to such Units, provided, however, that Lessee agrees that the Units shall at all times be used (i) in compliance with the terms and provisions of this Lease, (ii) in a careful and prudent manner, solely in the use, service and manner for which they were designed, and (iii) only within the United States.

§7.2. At all times during the continuance of this Lease, Lessee shall be responsible for all repairs, maintenance, modifications, additions or replacements required to keep the Units in good and safe working order and repair, and as may be required by applicable laws and regulations of any governmental body. All repair work shall constitute accessions to the Units to which made and title thereto shall vest in Lessor.

SECTION 8. - LIENS ON THE UNITS

The Lessee shall pay or satisfy and discharge any and all claims against, through, or under the Lessee and its successors or assigns which, if unpaid, might constitute or become a lien or a charge upon the Units, any liens or charges which may be levied against or imposed upon any Unit as a result of the failure of the Lessee to perform or observe any of its covenants or agreements under this Lease, but the Lessee shall, in good faith and by appropriate legal proceedings contest the validity thereof in any reasonable manner which will not affect or endanger the title and interest of the Lessor to the Units. The Lessee's obligations under this Section 8 shall survive termination of the Lease.

SECTION 9. - INSURANCE AND CASUALTY OCCURRENCES

§9.1. Lessee shall provide and maintain (a) insurance against loss, theft, destruction or damage of the Units in an amount not less than the full replacement value of the Units with loss payable to Lessor, and (b) comprehensive public liability insurance against claims for personal injuries, death and property damage in an amount satisfactory to Lessor. All insurance shall be with companies satisfactory to Lessor and shall name Lessor and Lessee as coinsureds. Lessee shall pay the premiums for said insurance, and each policy shall provide that insurance as to Lessor shall not be invalidated by any act or omission of Lessee. All proceeds of insurance received by the Lessor with respect to any Units not suffering a Casualty Occurrence (as hereinafter defined) shall be paid to the Lessee upon proof satisfactory to the Lessor that any damage to any Unit with respect to which such proceeds were paid has been fully repaired. Any such proceeds of insurance received by the Lessor with respect to a Casualty Occurrence shall be credited toward the payment required by Subsection 9.3 with respect to such Casualty Occurrence.

§9.2. In the event that any Unit shall be or become lost, stolen, destroyed, or in the opinion of the Lessee, irreparably damaged during the term of this Lease, including any renewal term hereunder, or thereafter while the Unit is in the possession of the Lessee, or shall be requisitioned or taken over by any governmental authority under the power of eminent domain or otherwise during the term of this Lease, including any renewal terms hereunder (any such

occurrence, except for any requisition which by its terms is for an indefinite period or is for a stated period which does not exceed the term of this Lease, being hereinafter called a Casualty Occurrence), the Lessee shall inform the Lessor in regard thereto and shall pay the Casualty Value (as herein defined) of such Unit in accordance with the terms hereof.

§9.3. The Lessee, on the next succeeding rental payment date following its knowledge of a Casualty Occurrence with respect to any Unit, shall pay to the Lessor the rental installment due on such rental payment date for such Unit plus a sum equal to the Casualty Value of such Unit. Upon (and not until) payment of the Casualty Value in respect of any Unit and the rental installment due on such payment date, the obligation to pay rent for such Unit accruing thereafter shall terminate.

§9.4. Lessor shall, upon receipt of the payments referred to in Subsection 9.3 with respect to a Unit, issue a Bill of Sale to Lessee for such Unit and such Bill of Sale shall reflect the fact that the Unit is sold to Lessee on an "as is", "where is" basis without representation or warranty, expressed or implied.

§9.5. The Casualty Values of the Units are provided in Schedule C.

§9.6. The Lessee shall bear the risk of loss and, except as hereinabove provided, shall not be released from its obligations hereunder in the event of any Casualty Occurrence to any Unit until payment of the Casualty Value and the rental installments due on and prior to the date of payment of such Casualty Value in respect of such Unit have been made.

§9.7. In the event that during the term of this Lease, the use of any Unit is requisitioned or taken by any governmental authority under the power of eminent domain or otherwise for an indefinite period or for a stated period which does not exceed the term of this Lease, the Lessee's obligation to pay rent shall continue for the duration of such requisitioning or taking. The Lessee shall be entitled to receive and retain for its own account all sums payable for any such period by such governmental authority as compensation for such requisition or taking for such period, and the balance, if any, shall be payable and retained by the Lessor as its sole property.

SECTION 10. - INSPECTION

Lessor may, at its own cost and expense, inspect the Units from time to time wherever it may be. The Lessee shall, upon request of Lessor, but no more than once every year, furnish to Lessor its certified inventory of all the Units then covered by this Lease.

SECTION 11. - RETURN OF UNITS

Upon the expiration or termination of this Lease with respect to any Unit (other than pursuant to Paragraph 9 hereof), Lessee shall at its sole cost and expense forthwith surrender possession of such Unit to Lessor by delivering same to Lessor at such location as Lessor may designate by notice to Lessee. Each Unit so surrendered shall be in the same or as good condition, order, and repair as when delivered to Lessee, wear and tear from ordinary use and the passage of time excepted, and shall be in need of no repairs until the delivery of possession to Lessor pursuant to this section. Lessee shall continue to be liable for and shall pay rental at the rate being paid immediately prior to termination or expiration, and Lessee shall in addition make all other payments and keep all obligations and undertakings required of Lessee under any and all provisions of this Lease as though such termination or expiration had not occurred. If Lessor shall so request, Lessee agrees to provide storage at Lessee's expense for any or all of the Units for up to 90 days after the end of the term. Nothing in this section shall give Lessee the right to retain possession of any Unit after expiration or termination of this Lease with respect to such Unit.

SECTION 12. - DEFAULT

§12.1. Any of the following events shall constitute an Event of Default hereunder:

(a) Default shall be made in the payment of any part of the rental or other sums provided as provided in this Lease and such default shall continue for ten days; or

(b) Default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein and such default shall continue for 10 days after written notice from the Lessor to the Lessee, specifying the default and demanding the same to be remedied; or

(c) A petition for reorganization under Title 11 of the United States Code, as now constituted or as said Title 11 may be hereafter amended, shall be filed by or against the Lessee and (unless such petition shall have been dismissed, nullified, stayed, or otherwise rendered ineffective but then only so long as such stay shall continue in force or such ineffectiveness shall continue) all the obligations of the Lessee under this Lease shall not have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees appointed in such proceedings in such manner that such obligations shall have the same status as obligations incurred by such a trustee or trustees within 30 days after such appointment or 60 days after such petition shall have been filed, whichever shall be earlier.

(d) Any other proceedings shall be commenced by or against the Lessee for any relief under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions, or extensions (other than a law which does not permit any readjustment of the indebtedness payable hereunder) and (unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective but then only so long as such stay shall continue in force or such ineffectiveness shall continue) all the obligations of the Lessee under this Lease shall not have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed for the Lessee or for the property of the Lessee in connection with any such proceedings in such manner that such obligations shall have the same status as obligations incurred by such a trustee or trustees or receiver or receivers, within 30 days after such appointment or 60 days after such proceedings shall have been commenced, whichever shall be earlier.

§12.2. If any Event of Default has occurred and is continuing, the Lessor may at its option may:

(a) Proceed by appropriate court action or actions, either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; or

(b) By notice in writing to the Lessee, terminate this Lease, whereupon all right of the Lessee to the use of the Units shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as hereinafter provided; and thereupon, the Lessor may by its agents enter upon the premises of the Lessee or other premises where any of the Units may be located and take possession of all or any of such Units and thenceforth hold, possess and enjoy the same free from any right of the Lessee, or its successors or assigns, to use the Units for any purpose whatever, but the Lessor, shall, nevertheless, have a right to recover from the Lessee any and all amounts which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by a fraction of which the numerator is such accrued number of days in such full rental period and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee (i) as damages for loss of the bargain and not as a penalty, a sum with respect to each Unit, which represents the excess of the present worth, at the time of such termination, of all rentals for such Unit which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease over the then present worth of the then fair rental value of such Unit for such period computed by discounting from the end of such term to the date of such termination rentals

which the Lessor reasonably estimates to be obtainable for the use of the Unit during such period, and (ii) any damages and expenses including reasonable attorney's fees, in addition thereto which the Lessor shall have sustained by reason of the breach of any covenant or covenants of this Lease, other than for the payment of rental.

§12.3. The remedies in this Lease provided in favor of the Lessor shall not be deemed exclusive, but shall be cumulative and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify any of the remedies herein provided, to the extent that such waiver is permitted by law. The Lessee hereby waives any and all existing or future claims of any right to any off-set against the rent payments due hereunder, and agrees to make the rent payments regardless of any off-set or claim which may be asserted by the Lessee on its behalf in connection with the lease of the Units.

§12.4. The failure of the Lessor to exercise the rights granted it hereunder upon any occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

SECTION 13. - RETURN OF UNITS UPON DEFAULT

§13.1. If the Lessor or the Assignee shall terminate this Lease pursuant to Section 12 hereof, the Lessee, at its expense, shall forthwith deliver possession of the Units to the Lessor at the place designated.

§13.2. The delivery of the Units as hereinbefore provided is of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to deliver the Units.

§13.3. Without in any way limiting the obligations of the Lessee under the foregoing provisions of this Section 13, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney of Lessee, with full power and authority, at any time, while the Lessee is obligated to deliver possession of any Units to Lessor, to demand and take possession of such Unit in the name of and on behalf of the Lessee from whosoever shall be at the time in possession of such Unit.

SECTION 14. - SUBLEASE AND ASSIGNMENT

Lessee shall not assign, sublease or loan any of the Units without the prior written consent of Lessor. All rights of

Lessor under this Lease may be assigned, pledged, mortgaged, transferred, or otherwise disposed of either in whole or in part without notice to or consent of Lessee. This Lease and Lessee's rights hereunder are and shall be subject and subordinate to any chattel mortgage, security agreement or equipment trust or other security instrument covering the Units heretofore or hereafter created by Lessor.

SECTION 15. - INTEREST ON OVERDUE RENTALS AND AMOUNTS
PAID BY LESSOR

Unless otherwise stated herein, any nonpayment of rentals and other obligations due hereunder shall result in the obligation on the part of the Lessee promptly to pay an amount equal to interest at a rate of 18% per annum or such lesser amount as may be legally enforceable on the overdue rentals and other obligations for the period of time during which they are overdue.

SECTION 16. - OPTIONS TO PURCHASE AND RENEW

§16.1. Provided that the Lessee is not in default, the Lessee shall have the option to purchase the Unit(s) at the expiration of this agreement for \$100.00.

§16.2 Unless the Lessee has elected the option as referred to above, all of such Units shall be returned to the Lessor at the end of the original term, in accordance with Section 11 hereof.

SECTION 17. - MISCELLANEOUS

§17.1. Any notice or consent required or permitted to be given by either party hereto to the other shall be deemed to have been given when deposited in the United States certified mails, first class postage prepaid, addressed as follows:

If to the Lessor:

PORTEC LEASE CORP.
300 Windsor Drive
Oak Brook, Illinois 60521

If to the Lessee:

Iowa Railroad Company
P.O. 10355
Des Moines, Iowa 50306

or addressed to either party at such other address as such party shall hereafter furnish to the other party in writing.

§17.2. This Lease, and any lease supplemental hereto, may be executed in several counterparts, each of which so executed shall be deemed to be an original and in each case such counterparts shall constitute but one and the same instrument.

§17.3. This Lease shall be construed in accordance with the laws of Illinois; provided, however, that the parties shall be entitled to all rights conferred by any applicable federal statute, rule or regulation.

§17.4. This Lease shall be and become effective upon execution hereof by Lessor.

§17.5. Lessor represents and warrants that Lessee shall have a right to quiet enjoyment of the equipment covered under this Lease and its schedules. It is understood and agreed that Lessee's obligations to pay rent is unconditional so long as Lessee's use and possession of the equipment is not disturbed by Lessor or its successor assigns, and Lessee is not in default under Section 12 of the Lease.

IOWA RAILROAD COMPANY

PORTEC LEASE CORP.

By *Gene A. Schwab*

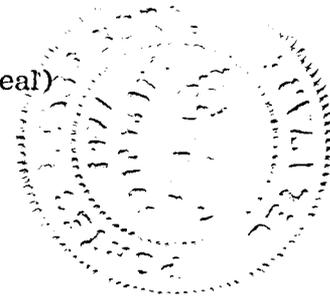
W. W. Lusk

Its *President*

Its Vice President

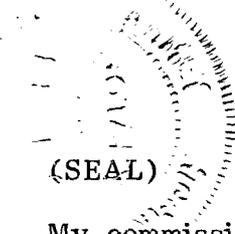
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(Corporate Seal)



STATE OF ILLINOIS)
)§
COUNTY OF DU PAGE)

On this 28th day of January, 1984 before me personally appeared W.W. Farnsworth, to me personally known, who being by me duly sworn, says that he is Vice President of PORTEC LEASE CORP., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, and 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.



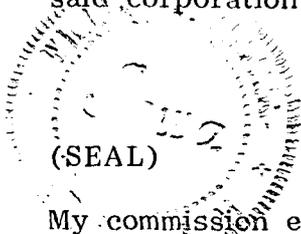
(SEAL)

William J. Kinnard
Notary Public

My commission expires: Sept 19, 1984.

STATE OF IOWA)
)§
COUNTY OF POLK)

On this 22 day of DECEMBER, 1983 before me personally appeared GENE R. SCHWAB, to me personally known, who being by me duly sworn says that he is a PRESIDENT of IOWA RAILROAD CO., 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.



(SEAL)

William J. Kinnard
Notary Public

My commission expires: 9/85

SCHEDULE A

to

Lease between Portec Lease Corp.
as Lessor and

Iowa Railroad Company
as Lessee

CERTIFICATE OF ACCEPTANCE

To: Portec Lease Corp.
300 Windsor Drive
Oak Brook, Illinois 60521

I, a duly appointed inspector and authorized representative of Iowa Railroad Company ("Lessee") under the Lease, dated as of December 22, 1983, do hereby certify that I inspected and accepted delivery thereunder on behalf of Lessee of the following Units of Equipment:

TYPE OF EQUIPMENT:
BUILDER: PORTEC, Inc.
DATE ACCEPTED:
PLACE ACCEPTED:

I do further certify that the foregoing Units are in good order and condition, and conform to the Specifications applicable thereto as provided in Schedule B to said Lease.

The execution of this Certificate will in no way relieve or decrease the responsibility of the Builder named above for any warranties it has made with respect to the Equipment.


Inspector and Authorized Representative of Lessee

SCHEDULE B

to

Lease between Portec Lease Corp.
as Lessor

and

Iowa Railroad Company
as Lessee

INFORMATION AS TO THE UNITS

Builder: Portec, Inc. - RMC Division

Description of the Units: RMC Brush Cutter BC-209

Equipped with GM 6V-53 Diesel Engine, Driving hydraulic pumps and air brake compressor; two (2) hydraulically-powered 7 foot diameter rotary cutting heads mounted on rigid 10" x 10" x 1/2" wall square tubing booms, hydraulically-controlled; one (1) boom mounted on each side of machine to permit cutting up to 28 feet from centerline of track; propulsion by hydraulic motor through four-speed transmission with special arrangement to provide control for one or two operators; operator's cab complete with two (2) operators' positions with cushioned seats; air horn; non-insulated.

Standard Equipment

- 15" Channel Frame (40 lbs. per foot - boxed for additional strength where required).
- 20" Cast Steel Wheels, 4-1/2" alloy steel axles, rear axle trunnion pivot mounted to negotiate rough track, Timken Roller bearings.
- Four-speed heavy-duty transmission equipped for plug-in hydraulic motor.
- Four-wheel fail safe design air brakes, Cobra shoes; spring applied emergency and parking brake each axle; emergency air reservoir.
- Rear platforms with handrails and steps.
- Steel cab equipped with ventilators, windshield wipers, defroster fans, steel door, Acrivue "A" 1/4" thick tempered polycarbonate windows with guards.

Description of the Units - continued

- Two (2) 7 foot 0 inch diameter rotary cutting heads, RMC Twin Disc design with four (4) flat, double edged blades mounted between discs.
- Cutter head guards.
- Diesel automatic shutdown - low oil pressure, high temperature.
- Tachometer - hourmeter.
- Engine Gauges mounted in cab.
- Derail skids, front and rear.
- Cab heater.
- Cab insulation.
- Special low noise mufflers.
- Locking filler caps.
- Battery disconnect switch.
- Dry Type air filter with indicator.
- Heavy duty 42 AMP Alternator.
- Engine ether starting aid.
- 16 Hour engine fuel supply.

Delivery Point: Rock Island, Illinois

SCHEDULE C

to

Lease between Portec Lease Corp.
as Lessor

and

Iowa Railroad Company
as Lessee

SCHEDULE OF CASUALTY VALUES

	Termination Value % of Total <u>Asset Cost</u>
1 January 1984	99.58120
1 February 1984	94.12072
1 March 1984	87.45840
1 April 1984	80.13301
1 May 1984	73.79284
1 June 1984	66.51820
1 July 1984	50.39038
1 August 1984	41.96604
1 September 1984	36.67899
1 October 1984	26.63361
1 November 1984	16.68587
1 December 1984	12.59290