HOUSTON BELT & TERMINAL RAILWAY COMPANY

T. E. Harper
Director Administration

PLAINTIFF'S EXHIBIT
RR-1158

NOV 20 98*

March 4, 1998

Messrs.	R. D. Bredenberg	- BNSF	- Ft. Worth
	H. E. Handley	- UP	- Spring
	J. W. Holm	- UP	- Omaha
	E. L. Hord	- BNSF	- Ft. Worth
	J. B. Mathis	- HBT	- Houston
	F. L. Molla	- UP	- Spring
	J. B. Norwood	- BNSF	- Pearland
	R. D. Uhrich	- UP	- Omaha
	E. W. Woolley	- BNSF	- Ft. Worth

Gentlemen:

Enclosed are the minutes of the Special meeting of the Board of Directors held February 18, 1998.

Yours truly,

Theresa Harper
Secretary

Enclosure

c: W. G. Barr, UP
J. S. Wilmoth, UP
P. Lee, BNSF
M. A. Schensted, HB&T
G. R. Cavanaugh, BNSF

MINUTES OF SPECIAL MEETING OF BOARD OF DIRECTORS
OF
HOUSTON BELT & TERMINAL RAILWAY COMPANY
HELD AT
HOUSTON, TEXAS

Pursuant to notice thereof and the By-Laws of the Company, a special meeting of the Board of Directors of the Houston Belt & Terminal Railway Company was held in the general offices of the company in the city of Houston, Harris County, Texas on February 18, 1998.

MEETING CALLED TO ORDER

Mr. Mathis, General Manager of the company, called the meeting to order and presided. Ms. T. E. Harper acted as Secretary at the meeting.

Mr. Mathis presented Mr. R. D. Uhrich's resignation as a Director of the Houston Belt & Terminal Railway Company. On motion duly made, seconded and by unanimous vote, Mr. Uhrich's resignation was accepted.

Upon motion made, seconded and unanimously approved Mr. J. S. Wilmoth was elected Director of the Houston Belt & Terminal Railway Company.

Mr. Mathis presented Mr. J. B. Norwood's resignation as a Director of the Houston Belt & Terminal Railway Company. On motion duly made, seconded and by unanimous vote, Mr. Norwood's resignation was accepted.

Upon motion made, seconded and unanimously approved Mr. G. R. Cavanaugh was elected Director of the Houston Belt & Terminal Railway Company.

The following directors being a majority of all the company's directors and being a quorum competent for the transaction of business, were present in person to wit:

R. D. Bredenberg	G. R. Cavanaugh	H. E. Handley
J. W. Holm	E. L. Hord	F. L. Molla
J. S. Wilmoth	E. W. Woolley	

Also present:

T. E. Harper	S. C. Malhotra	J. B. Mathis
J. C. Pruetz	M. A. Schensted	T. M. Stone

A copy of the notice of the meeting dated February 9, 1998, was available for review (Exhibit "A").

On motion duly made, seconded and by unanimous vote, it was resolved that the minutes of the annual meeting of November 19, 1997, as recorded by the Secretary, be and they are in all things approved.

REAL ESTATE

INTERPAK TERMINALS INC. REQUESTS TO PURCHASE HB&T'S 150 ACRE SITE

Mr. Mathis presented request by Interpak Terminals Inc. to purchase HB&T's 150 acre site located near Homestead Road.

Motion was made, seconded and by unanimous vote it was decided that HB&T's 150 acre site located near Homestead Road would be removed from sale market.

PROPOSED SALE OF APPROXIMATELY 18.3 ACRES OF LAND TO JOHN FRANTZ OR HIS DESIGNEE

Mr. Mathis presented proposal by John Frantz to purchase approximately 18.3 acres of HB&T property fronting Portwall Street for $1.25 per square foot cash. The board was advised that the property appraised for $1.50 per square foot.

Motion was made, seconded and by unanimous vote it was decided that HB&T's 18.3 acres of property fronting Portwall Street could be sold as appraised, for $1.50 per square foot plus or minus 5%, subject to Union Pacific's determination that the property is not needed for operational capacity.

PROPOSED SALE OF BLOCKS 205 AND 219 TO LOUIS MACEY, TRUSTEE

Mr. Mathis reported that in his letter of September 26, 1997, this board approved the sale of blocks 205 and 219, excluding a fifty foot strip of land for track right of way for a sale price of $5.00 per square foot. The Harris County Houston Sports Association advised that it is not interested in acquiring the fifty foot strip of land for future rail access to the boundary of the Union Station property, and therefore Mr. Mathis requested approval to sale blocks 205 and 219, including the fifty foot strip of land formerly retained for track right of way through blocks 205 and 219 to Louis Macey, Trustee for a sales price of $5.00 per square foot.

Motion was made, seconded and by unanimous vote it was decided that blocks 205 and 219, including the fifty foot right of way strip of land through blocks 205 and 219 could be sold for $6.00 per square foot, with the trackage located thereon being retained and removed by the railroad.

<u>PROPOSED SALE OF 16,407 SQUARE FEET OF LAND IN BLOCK 225 TO KRAKOWER PROPERTIES</u>

Mr. Mathis presented request by Krakower Properties to purchase remaining 16,407 square foot strip of land in block 225 for $3.50 per square foot. This right of way had been retained for operation of Union Station lead track in 1995 sale transaction of two parcels of HB&T property to Krakower Properties.

Motion was made, seconded and by unanimous vote it was decided that the 16,407 square foot strip of land in block 225 could be sold for $6.00 per square foot.

<u>PROPOSED SALE OF LOTS 4 AND 5, BLOCK 203 (10,000 SQ. FT) TO HT LAND COMPANY</u>

Mr. Mathis presented offer by HT Land Company to purchase HB&T's lots 4 and 5, Block 203 (10,000 square feet) and the building thereon for $70,000 for land and building.

Motion was made, seconded and by unanimous vote the sale of HB&T's lots 4 and 5 of Block 203 be declined as current rental income is more beneficial.

<u>RELEASE OF 0.7053 ACRES OF LAND (BLOCK 230 SSBB) FRONTING ON DOWLING STREET FROM IGN/HBT LEASE DUE TO UP'S SALE OF PROPERTY TO MELVIN J. CWEREN</u>

Mr. Mathis advised that due to the UP sale of 0.7053 acres of land in block 230 S.S.B.B. fronting Dowling Street it was necessary to release said property from existing IGN/HBT lease.

Motion was made, seconded and by unanimous vote it was decided that said property would be released from IGN/HBT lease.

<u>PROPOSED CONTRACT FOR SALE OF APPROXIMATELY 1.8 ACRES OF HB&T LAND FRONTING ON LAWNDALE AVENUE AND ADJACENT TO THE EAST SIDE OF THE EAST BELT MAIN LINE</u>

Mr. Mathis presented offer from George E. Scott and Rosalie L. Konder to purchase approximately 1.8 acres of HB&T property fronting on the north side of Lawndale Avenue and adjacent to the east side of the East Belt Main Line for $52,376 cash ($.67 per square foot).

Motion was made, seconded and by unanimous vote it was decided that HB&T's 1.8 acres property fronting on the north side of Lawndale Avenue and adjacent to the east side of the East Belt Main Line would be sold for $52,365 cash ($.67 per square foot) to George E. Scott and Rosalie L. Konder.

OLD BUSINESS

SALE OF UNION STATION PROPERTY TO HARRIS COUNTY HOUSTON SPORTS AUTHORITY

Mr. Mathis reported that the Harris County Houston Sports Authority has requested an extension from April 15, 1998 to April 30, 1998, for the final payment on Union Station property. The extension will carry the same 10% rate of interest.

Motion was made, seconded and by unanimous vote it was decided that HB&T would grant, as requested, an extension from April 15, 1998 to April 30, 1998 to the Harris County Houston Sports Authority for final payment on Union Station property transaction.

HB&T REORGANIZATION

Mr. Mathis reviewed the progress of the HB&T Reorganization.

Motion was made, seconded and by unanimous vote, it was resolved that the HB&T 401K Plan would be terminated June 30, 1998.

NEW BUSINESS

CAPITAL IMPROVEMENT PROGRAM

The 1998 HB&T Capital Improvement Program (Exhibit "B") in the amount of $11,165,000 was presented.

Motion was made, seconded and by unanimous vote, it was decided that the 1998 HB&T Capital Improvement Program (Exhibit "B") was approved, pending advisement on accounting and depreciation procedures from the Contract Committee.

ADJOURNMENT

Mr. Mathis presented Mr. J. S. Wilmoth's resignation as a Director of the Houston Belt & Terminal Railway Company. On motion duly made, seconded and by unanimous vote, Mr. Wilmoth's resignation was accepted.

Upon motion made, seconded and unanimously approved Mr. R. D. Uhrich was elected Director of the Houston Belt & Terminal Railway Company.

Mr. Mathis presented Mr. G. R. Cavanaugh's resignation as a Director of the Houston Belt & Terminal Railway Company. On motion duly made, seconded and by unanimous vote, Mr. Cavanaugh's resignation was accepted.

Upon motion made, seconded and unanimously approved Mr. J. B. Norwood was elected Director of the Houston Belt & Terminal Railway Company.

There being no further business the meeting was adjourned on a motion.

Theresa E. Harper

HOUSTON BELT & TERMINAL RAILWAY COMPANY

August 21, 1998

Messrs.	R. D. Bredenberg	-BNSF	-Ft. Worth
	H. E. Handley	-UP	-Spring
	J. W. Holm	-UP	-Omaha
	E. L. Hord	-BNSF	-Ft. Worth
	J. B. Mathis	-HBT	-Houston
	F. L. Molla	-UP	-Spring
	J. B. Norwood	-BNSF	-Pearland
	R. D. Uhrich	-UP	-Omaha
	E. W. Woolley	-BNSF	-Ft. Worth

Enclosed are the minutes of the Special Meeting of the Board of Directors held August 19, 1998.

Yours truly,

Margaret Tuma

M. A. Tuma
Secretary

cc: W. G. Barr, UP
J. S. Wilmoth, UP
P. Lee, BNSF
M. A. Schensted, HB&T
Steve Barkley, UP

MINUTES OF SPECIAL MEETING OF BOARD OF DIRECTORS
OF
HOUSTON BELT & TERMINAL RAILWAY COMPANY
HELD AT
HOUSTON, TEXAS

Pursuant to notice thereof and the By-Laws of the Company, a special meeting of the Board of Directors of the Houston Belt & Terminal Railway Company was held in the general office of the Port Terminal Railroad Association in the city of Houston, Harris County, Texas on August 19, 1998.

MEETING CALLED TO ORDER

Mr. Mathis, General Manager of the company, called the meeting to order and presided. Ms. M. A. Tuma acted as Secretary at the meeting.

Mr. Mathis presented Mr. John Holm's resignation as Director of The Houston Belt & Terminal Railway Company. On motion duly made, seconded and by unanimous vote, Mr. Holm's resignation was accepted.

Upon motion made, seconded and unanimously approved Mr. Steve Barkley was elected Director of the Houston Belt & Terminal Railway Co.

The following directors being a majority of all the company's directors and being a quorum competent for the transaction of business, were present in person to wit:

R. D. Bredenberg	H. E. Handley	J. S. Wilmoth
Steve Barkley	E. L. Hord	E.W. Woolley
R. D. Uhrich	F. M. Molla	J. B. Norwood

Also present:

M. A. Schensted	J. B. Mathis
Hugh McCulley	Bill Hayes

A copy of the notice of the meeting dated August 5, 1998, was available for review (Exhibit "A").

On motion duly made, seconded and by unanimous vote, it was resolved that the minutes of the special board meeting of June 1, 1998, as recorded by the Secretary, be and they are in all things approved.

OLD BUSINESS

HB&T REORGANIZATION

Mr. Mathis reviewed the progress of the HB&T Reorganization. Mr. Mathis stated that he had contacted a firm to present a proposal indexing the HB&T files moved from Union Station to Texas City Terminal Railway Company. All old CRIP lease files will be given to the BNSF. HB&T financial records have been transferred to a PC accounting system, designed like one currently in use by the TCT, from the PTRA and HB&T main frame system.

SALE OF UNION STATION PROPERTY TO HARRIS COUNTY HOUSTON SPORTS AUTHORITY

Mr. Mathis stated that the Harris County Houston Sports Authority has requested an extension for the final payment on Union Station property until September 20, 1998. Since the PTRA will be using a portion of the building to store equipment until September 20, 1998, Mr. Mathis will ask the Sports Authority to forgo the PTRA's rent for September and will grant the extension. The extension will carry the same 10% rate of interest.

Motion was made, seconded and by unanimous vote it was decided that HB&T would grant, as requested, an extension to September 20, 1998.

Request was made by the Burlington Northern Santa Fe that all BNSF funds received from the sale of the Union Station property be held in a special account for BNSF capital improvement projects. A representative from the Union Pacific Railroad Co. will contact Mr. Mathis with instructions for the distribution of UP funds received from the sale of the Union Station property.

NEW BUSINESS

RESOLUTION

The following resolution concerning the Houston Belt & Terminal Employee Benefit Plan Trust was presented for approval by Mr. Mathis.

RESOLVED, the Houston Belt & Terminal Railway Company (hereinafter the "Company") previously established the Houston Belt & Terminal Employee Benefit Plan Trust (the "Trust") as the sponsor thereof which embodies the Houston Belt & Terminal Employee Benefit Plan (the "Plan") to self fund group i) life; ii) accidental death and dismemberment; and iii) medical expense benefits for the exclusive benefit of both Company eligible employees and eligible dependents thereof as well as eligible employees and the eligible dependents of other employers who have adopted the Plan with the approval of the Company; and

RESOLVED, the Company hereby acknowledges that the Port Terminal Railroad Association has agreed to be the successor sponsoring employer of the Trust and shall continue the Plan and Trust.

RESOLVED, the Company shall continue to be an adopting employer of the Plan and Trust.

Motion was made, seconded and by unanimous vote, it was resolved that the RESOLUTION was approved as presented.

ADJOURNMENT

Mr. Mathis presented Mr. Steve Barkley's resignation as a Director of the Houston Belt & Terminal Railway Company. On motion duly made, seconded and by unanimous vote, Mr. Barkley's resignation was accepted.

Upon motion made seconded and unanimously approved Mr. John Holm was elected Director of the Houston Belt & Terminal Railway Company.

There being no further business the meeting was adjourned on a motion.

Margaret A. Tuma

Margaret A. Tuma, Secretary

RESOLUTION

RESOLVED, the Houston Belt & Terminal Railway Company (hereinafter the "Company") previously established the Houston Belt & Terminal Employee Benefit Plan Trust (the "Trust") as the sponsor thereof which embodies the Houston Belt & Terminal Employee Benefit Plan (the "Plan") to self fund group i) life; ii) accidental death and dismemberment; and iii) medical expense benefits for the exclusive benefit of both Company eligible employees and eligible dependents thereof as well as eligible employees and the eligible dependents of other employers who have adopted the Plan with the approval of the Company; and

RESOLVED, the Company hereby acknowledges that the Port Terminal Railroad Association has agreed to be the successor sponsoring employer of the Trust and shall continue the Plan and Trust.

RESOLVED, the Company shall continue to be an adopting employer of the Plan and Trust.