



RECORDATION NO. 8757-0 Filed & Recorded RECORDATION NO. 8757-0 Filed & Recorded

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MAR 23 1977-10 25 AM

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March 19, 1977

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INTERSTATE COMMERCE COMMISSION INTERSTATE COMMERCE COMMISSION

INTERSTATE COMMERCE COMMISSION

Fee \$ 120-~~100~~ 120.

Interstate Commerce Commission  
12th Street and Constitution Avenue, N.W.  
Washington, D.C. 20423

RECORDATION NO. 8757-A Filed & Recorded Washington, D. C.

Attention: Secretary

MAR 23 1977-10 25 AM

Gentlemen:

INTERSTATE COMMERCE COMMISSION

Enclosed herewith for filing and recording, pursuant to Section 20c of the Interstate Commerce Act, are 8 executed counterparts of the following:

1. Conditional Sale Agreement dated as of February 1, 1977, among Thrall Car Manufacturing Company, *Vander* Connell Leasing, Inc. and Oklahoma Gas and Electric Company; *Fee*
2. Agreement and Assignment dated as of February 1, 1977, between Thrall Car Manufacturing Company and First National Bank and Trust Company of Oklahoma City, as Agent;
3. Lease of Railroad Equipment dated as of February 1, 1977, between Connell Leasing, Inc. and Oklahoma Gas and Electric Company; and
4. Assignment of Lease and Agreement dated as of February 1, 1977, between Connell Leasing, Inc. and First National Bank and Trust Company of Oklahoma City, as Agent.

The foregoing documents relate to the purchase and financing of:

- 341 100-ton (4,000 cu. ft.) high-side steel gondola cars with swivel couplers (Car Nos. OGEX 243 through 580, both inclusive and OGEX 5006, 5007, 5008).

Enclosed is our check in the amount of \$120 in payment of the applicable recording fees.

*Virginia P. Corney*

*Countdown*

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I.C.C.  
FEE OPERATION BR.

Interstate Commerce Commission

Page 2

March 19, 1977

Please deliver 5 counterparts, each bearing recordation data with respect to the filing pursuant to the provisions of Section 20c of the Interstate Commerce Act, to the bearer of this letter.

For your records, the names and addresses of the parties to the several instruments are as follows:

First National Bank and Trust Company  
of Oklahoma City, as Agent  
P. O. Box 25189  
Oklahoma City, Oklahoma 73125  
Attention: Mr. Jake L. Riley  
Vice President and Trust Officer

Connell Leasing, Inc.  
45 Cardinal Drive  
Westfield, New Jersey 07092  
Attention: Mr. Grover Connell  
President

Thrall Car Manufacturing Company  
P. O. Box 218  
Chicago Heights, Illinois 60401  
Attention: Mr. John P. Lynch  
Vice President - Sales

Oklahoma Gas and Electric Company  
321 North Harvey Avenue  
Oklahoma City, Oklahoma 73101  
Attention: Mr. R. Drake Keith  
Vice President and Treasurer

Very truly yours,



R. Drake Keith  
Vice President and Treasurer

Enclosures

8757-A

RECORDATION NO. .... Filed & Recorded

MAR 23 1977 - 10 25 AM

INTERSTATE COMMERCE COMMISSION

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AGREEMENT AND ASSIGNMENT

Dated as of February 1, 1977.

between

THRALL CAR MANUFACTURING COMPANY

and

FIRST NATIONAL BANK AND TRUST COMPANY  
OF OKLAHOMA CITY,

as Agent

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AGREEMENT AND ASSIGNMENT dated as of February 1, 1977 between THRALL CAR MANUFACTURING COMPANY (hereinafter called the Builder) and FIRST NATIONAL BANK AND TRUST COMPANY OF OKLAHOMA CITY, acting as Agent (hereinafter called the Assignee) under a Finance Agreement dated as of the date hereof (hereinafter called the Finance Agreement).

WHEREAS, the Builder, CONNELL LEASING, INC. (hereinafter called the Vendee) and OKLAHOMA GAS AND ELECTRIC COMPANY (hereinafter called the Lessee) have entered into a Conditional Sale Agreement dated as of the date hereof (hereinafter called the Conditional Sale Agreement) covering the construction, sale and delivery, on the conditions therein set forth, by the Builder and the purchase by the Vendee of the railroad equipment described in Annex A to the Conditional Sale Agreement (hereinafter called the Equipment); and

WHEREAS, the Vendee and the Lessee have entered into a Lease of Railroad Equipment dated as of the date hereof (hereinafter called the Lease) providing for the lease to the Lessee of the Equipment, and the Vendee and the Assignee have entered into an Assignment of Lease and Agreement dated as of the date hereof (hereinafter called the Lease Assignment) assigning for security purposes certain of the Vendee's rights in, to and under the Lease to the Assignee as further security for the Conditional Sale Indebtedness (as defined in the Conditional Sale Agreement);

NOW, THEREFORE, THIS AGREEMENT AND ASSIGNMENT (hereinafter called this Assignment) WITNESSETH THAT, in consideration of the sum of One Dollar and other good and valuable consideration paid by the Assignee to the Builder, the receipt of which is hereby acknowledged, as well as of the mutual covenants herein contained, the parties hereto do hereby agree as follows:

SECTION 1. The Builder hereby assigns, transfers and sets over unto the Assignee, its successors and assigns:

(a) All the right, title and interest of the Builder in and to each unit of the Equipment;

(b) All the right, title and interest of the Builder in and to the Conditional Sale Agreement (except the right to construct and deliver the Equipment; the right to receive the payments specified in the third paragraph of Article 3 thereof, in the first paragraph of Article 4 thereof and in the last paragraph of Article 15 thereof; and reimbursement for taxes paid or incurred by the Builder under Article 6 thereof), in and to any and all amounts which may be or become due

or owing under the Conditional Sale Agreement on account of the indebtedness in respect of the Purchase Price (as defined in the Conditional Sale Agreement) of the Equipment and interest and premium, if any, thereon and in and to any other sums becoming due from the Vendee or the Lessee under the Conditional Sale Agreement other than those hereinabove excluded; and

(c) Except as limited by subparagraph (b) of this paragraph, all the Builder's rights, powers, privileges and remedies under the Conditional Sale Agreement;

without any recourse, however, against the Builder for or on account of the failure of the Vendee or the Lessee to make any of the payments provided for in, or otherwise to comply with, any of the provisions of the Conditional Sale Agreement; provided, however, that this Assignment shall not subject the Assignee to, or transfer, or pass, or in any way affect or modify, the obligations of the Builder to sell and deliver the Equipment in accordance with the Conditional Sale Agreement or with respect to its warranties and agreements contained in Article 14 of the Conditional Sale Agreement or relieve the Vendee or the Lessee from their respective obligations to the Builder contained in Articles 2, 3, 4, 6 and 14 of the Conditional Sale Agreement, it being understood and agreed that, notwithstanding this Assignment, or any subsequent assignment pursuant to the provisions of Article 15 of the Conditional Sale Agreement, all obligations of the Builder to the Vendee with respect to the Equipment shall be and remain enforceable by the Vendee, its successors and assigns, against and only against the Builder. In furtherance of the foregoing assignment and transfer, the Builder hereby authorizes and empowers the Assignee, in the Assignee's own name or in the name of the Assignee's nominee, or in the name of or as attorney hereby irrevocably constituted for the Builder, to ask, demand, sue for, collect, receive and enforce any and all sums to which the Assignee is or may become entitled under this Assignment and compliance by the Vendee and the Lessee with the terms and agreements on their parts to be performed under the Conditional Sale Agreement, but at the expense and liability and for the sole benefit of the Assignee.

SECTION 2. The Builder covenants and agrees that it shall construct the Equipment in full accordance with the Conditional Sale Agreement and will deliver the same upon completion to the Vendee or its duly appointed agent in accordance with the provisions of the Conditional Sale Agreement; and that notwithstanding this Assignment, it will perform and fully comply with each and all of the covenants and conditions of the Conditional Sale Agreement to be performed and complied with by the Builder. The Builder further covenants and agrees that it will warrant to the

Assignee, the Vendee and the Lessee that at the time of delivery of each unit of the Equipment under the Conditional Sale Agreement it had legal title to such unit and good and lawful right to sell such unit and that title to such unit was free of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendee and the Lessee under the Conditional Sale Agreement and the rights of the Lessee under the Lease; and the Builder further covenants and agrees that it will defend the title to such unit against the demands of all persons whomsoever based on claims originating prior to the delivery of such unit by the Builder under the Conditional Sale Agreement; all subject, however, to the provisions of the Conditional Sale Agreement and the rights of the Vendee thereunder. The Builder will not deliver any of the Equipment to the Vendee or its duly appointed agent under the Conditional Sale Agreement until the Conditional Sale Agreement and the Lease have been filed and recorded in accordance with Section 20c of the Interstate Commerce Act.

SECTION 3. The Builder covenants and agrees with the Assignee that in any suit, proceeding or action brought by the Assignee under the Conditional Sale Agreement for any installment of, or interest or premium, if any, on, indebtedness in respect of the Purchase Price of the Equipment or to enforce any provision of the Conditional Sale Agreement, the Builder will indemnify, protect and hold harmless the Assignee and/or the Vendee, as appropriate, from and against all expense (including without limitation counsel fees), loss or damage suffered by reason of any defense, set-off, counterclaim or recoupment whatsoever claimed by the Vendee or the Lessee arising out of a breach by the Builder of any obligation with respect to the Equipment or the manufacture, construction, sale, delivery or warranty thereof or arising by reason of any other indebtedness or liability at any time owing to the Vendee, the Assignee or the Lessee by the Builder. Any and all such obligations shall be and remain enforceable by the Vendee or the Lessee or their respective successors and assigns against and only against the Builder or its successors and assigns and shall not be enforceable against the Assignee or any person or persons in whom title to the Equipment, or any unit thereof, or any of the rights of the Builder under the Conditional Sale Agreement shall vest by reason of this assignment or of successive assignments or transfers. The Assignee will give notice to the Builder of any suit, proceeding or action by the Assignee herein described, and shall promptly move or take other appropriate action, on the basis of Article 15 of the Conditional Sale Agreement, to strike any defense, set-off, counterclaim or recoupment asserted by the Vendee or the Lessee therein; and if the court or other body having jurisdiction in such suit, proceeding or action denies such motion or other action and accepts such

defense, set-off, counterclaim or recoupment as a triable issue in such suit, proceeding or action, the Assignee shall promptly notify the Builder of any such defense, set-off, counterclaim or recoupment asserted by the Vendee or the Lessee or its successors and assigns and thereafter give the Builder the right, at the Builder's expense, to compromise, settle or defend against such defense, set-off, counterclaim or recoupment.

Except in cases of articles or materials specified by the Lessee and not manufactured by the Builder and in cases of designs, systems, processes, formulae or combinations specified by the Lessee and not developed or purported to be developed by the Builder, the Builder agrees to indemnify, protect and hold harmless the Assignee and/or the Vendee from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Assignee and/or the Vendee or their successors and assigns because of the use in or about the construction or operation of any of the Equipment of any design, system, process, formula, combination, article or material which infringes or is claimed to infringe on any patent or other right. The Assignee will give prompt notice to the Builder of any claim actually known to the Assignee from which liability may be charged hereunder, and the Builder shall have the right, at the Builder's expense, to compromise, settle or defend against such claim. The Builder agrees that any amounts payable to it by the Vendee or the Lessee with respect to the Equipment, whether pursuant to the Conditional Sale Agreement or otherwise, not hereby assigned to the Assignee shall not be secured by any lien, charge or security interest upon the Equipment or any unit thereof.

SECTION 4. The Builder will cause to be plainly, distinctly, permanently and conspicuously marked on each side of each unit of the Equipment, at the time of delivery thereof under the Conditional Sale Agreement, in letters not less than one inch in height, the words:

"CONNELL LEASING, INC., LESSOR SUBJECT TO A SECURITY AGREEMENT FILED UNDER THE INTERSTATE COMMERCE ACT, SECTION 20c."

SECTION 5. The Assignee, on each Closing Date as provided in Article 4 of the Conditional Sale Agreement with respect to a Group (as defined in said Article 4) of the Equipment, shall deliver to the Builder a promissory note (hereinafter called singly a Note and collectively the Notes) of the Interim Lender (as defined in the Finance Agreement) in the principal amount of the aggregate Purchase Price (as defined in said Article 4) of the Group then being settled for. The Note shall be payable, without interest, to the

Builder, or its assigns, on the first to occur of July 6, 1977, or the date occurring 30 days after such Closing Date and shall contain such additional terms not inconsistent herewith as are agreed upon by the Interim Lender and the Builder, provided that there shall have been delivered to the Assignee (with an executed counterpart to the Vendee), as provided in Article 15 of the Conditional Sale Agreement and at least five Business Days prior to such Closing Date, the following documents, in form and substance satisfactory to it and to its special counsel hereinafter mentioned, in such number of counterparts as may be reasonably requested by said special counsel:

(a) A bill of sale, dated such Closing Date, from the Builder to the Assignee transferring and assigning to the Assignee its security interest in the units of the Equipment in such Group and warranting to the Assignee, the Vendee and the Lessee that at the time of delivery of such units under the Conditional Sale Agreement the Builder had legal title to such units and good and lawful right to sell such units and that title to such units was free of all claims, liens, security interests and other encumbrances of any nature, except only the rights of the Vendee and the Lessee under the Conditional Sale Agreement and the rights of the Lessee under the Lease, and covenanting to defend the title to such units against the demands of all persons whomsoever based on claims originating prior to the delivery of such units by the Builder under the Conditional Sale Agreement;

(b) A Certificate or Certificates of Acceptance with respect to the units of the Equipment in such Group as contemplated by Article 3 of the Conditional Sale Agreement and Section 2 of the Lease;

(c) A Closing Certificate dated such Closing Date, signed by the President or a Vice President of the Lessee, substantially in the form attached hereto as Annex A;

(d) An invoice or invoices of the Builder to the Vendee for the units of the Equipment in such Group accompanied by or having endorsed thereon a certification by the Lessee as to its approval thereof;

(e) An opinion, dated such Closing Date, of Isham Lincoln & Beale, special counsel for the Assignee and the Investors named in the Finance Agreement, addressed to the Assignee, the Vendee, the Interim Lender and the Builder, to the effect that (i) the Finance Agreement, assuming the due authorization, execution and delivery thereof by each Investor, has been duly authorized,

executed and delivered and is a legal, valid and binding instrument, (ii) the Conditional Sale Agreement has been duly authorized, executed and delivered by the respective parties thereto and is a legal, valid and binding instrument enforceable in accordance with its terms, (iii) this Assignment has been duly authorized executed and delivered by the respective parties thereto and is a legal, valid and binding instrument, (iv) the Assignee is vested with all the rights, titles and interests of the Builder purported to be assigned to the Assignee by this Assignment, (v) the Lease has been duly authorized, executed and delivered by the respective parties thereto and is a legal, valid and binding instrument enforceable in accordance with its terms, (vi) the Lease Assignment has been duly authorized, executed and delivered by the respective parties thereto and is a legal, valid and binding instrument, (vii) the Assignee is vested with all the rights, titles and interests of the Vendee purported to be assigned to the Assignee by the Lease Assignment, (viii) the Assignee is vested with a valid security interest in the units of the Equipment, (ix) no approval of the Interstate Commerce Commission or any other governmental authority is necessary for the valid execution and delivery of the Finance Agreement, the Conditional Sale Agreement, this Assignment, the Lease or the Lease Assignment, or, if any such authority is necessary, it has been obtained, (x) the Conditional Sale Agreement, this Assignment, the Lease and the Lease Assignment have been duly filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act, as amended, and no other filing or recordation is necessary for the perfection of the rights of the Assignee in any state of the United States of America or in the District of Columbia, (xi) registration of the Conditional Sale Agreement, this Assignment or the certificates of interest delivered pursuant to the Finance Agreement is not required under the Securities Act of 1933, as amended, and qualification of an indenture with respect thereto is not required under the Trust Indenture Act of 1939, as amended, and (xii) the opinions delivered to the Assignee pursuant to subparagraphs (f), (g), (h), (i), and (j) of this Section 5 have been examined by and are satisfactory to such counsel and may be relied upon by the Assignee, the Vendee, the Interim Lender, and the Investors, and covering such other matters as may reasonably be requested by the Assignee, the Vendee, the Interim Lender, or the Investors;

(f) An opinion, dated such Closing Date, of Morgan, Lewis & Bockius, who are special counsel for the Vendee, addressed to the Assignee, the Builder and the Lessee, stating that the Finance Agreement, the Conditional Sale Agreement, this Assignment, the Lease and the Lease Assignment have each been duly authorized, executed and delivered by the Vendee and, assuming the due authorization, execution and delivery thereof by the other parties thereto, each is a legal, valid and binding instrument and, in the case of the Conditional Sale Agreement and the Lease, enforceable against the Vendee in accordance with their respective terms;

(g) An opinion, dated such Closing Date, of Gardner, Carton & Douglas, special counsel for the Lessee, addressed to the Assignee, the Builder and the Vendee, to the effect set forth in clauses (i), (ii), (v), (vi), (vii), (x) and (xi) of subparagraph (e) above and to the effect that (i) no approval of the Interstate Commerce Commission, the Federal Power Commission, the Securities and Exchange Commission, the Corporation Commission of the State of Oklahoma or the Arkansas Public Service Commission or any other governmental authority is necessary for the valid execution and delivery by the Lessee of the Finance Agreement, the Conditional Sale Agreement or the Lease or if any other such approval or authority is necessary, it has been obtained and (ii) neither the execution and delivery of the Finance Agreement, the Conditional Sale Agreement or the Lease, nor the consummation of the transactions therein contemplated or the fulfillment of the terms thereof, will conflict with or result in a breach of any of the terms, conditions or provisions of the Articles of Incorporation or By-laws of the Lessee;

(h) An opinion, dated such Closing Date, addressed to the Assignee, the Builder and the Vendee, of Rainey, Wallace, Ross & Cooper, who are general counsel for the Lessee, to the effect that (i) the Lessee is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Oklahoma and is duly qualified to do business as a foreign corporation and is in good standing under the laws of the State of Arkansas, with full power to deliver, perform and enter into the Finance Agreement, the Conditional Sale Agreement and the Lease and to own or lease its properties and to carry on its business or operations as now conducted, (ii) the Lessee has the legal right to operate as a public utility in the States of Oklahoma and Arkansas, (iii) no approval of the Corporation Commission of the State of Oklahoma or the Arkansas Public Service Commission or any other state or local

governmental authority, commission or body is necessary for the valid execution, delivery and performance by such corporation of the Finance Agreement, the Conditional Sale Agreement or the Lease, (iv) neither the acquisition or ownership of the Equipment by the Vendee nor the leasing thereof to the Lessee pursuant to the Lease shall cause the Vendee to be deemed a public utility in either the State of Oklahoma or Arkansas, (v) neither the execution and delivery of the Finance Agreement, the Conditional Sale Agreement or the Lease, nor the consummation of the transactions therein contemplated or the fulfillment of the terms thereof, will conflict with or result in a breach of any of the terms, conditions or provisions of the Articles of Incorporation or By-laws of the Lessee or, to the best knowledge of such counsel, of any order, writ, injunction or decree of any court or governmental instrumentality, domestic or foreign, or of any agreement or instrument to which the Lessee is now a party or is bound or constitutes a default thereunder, (vi) to the best knowledge of such counsel, no mortgage, deed of trust, credit agreement, contract, indenture, lien or other agreement or instrument of any nature whatsoever which now covers or affects, or which may hereafter cover or affect, any property (or interests therein) of the Lessee now attaches or hereafter will attach to any units of the Equipment in such Group, or in any manner affect or will affect adversely the Vendee's or the Assignee's right, title and interest in such units, other than such liens as may attach to the rights of such corporation under the Conditional Sale Agreement and the Lease in and to such units, (vii) the Finance Agreement, the Conditional Sale Agreement and the Lease, assuming the due authorization, execution and delivery thereof by the other parties thereto, have been duly authorized, executed and delivered by the Lessee and each is a legal, valid and binding instrument and enforceable against the Lessee in accordance with its terms; (viii) to the best of such counsel's knowledge, the Lessee is not in default under any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument known to such counsel to which the Lessee is a party or by which the Lessee may be bound; (ix) to the best of such counsel's knowledge, except as the Vendee and the Assignee have been advised in writing by the Lessee, there are no legal or governmental proceedings pending to which the Lessee is a party or of which any property of the Lessee is the subject which individually or in the aggregate are material and, to the best of such counsel's knowledge, no such proceedings are threatened or contemplated by governmental authorities

or others; (x) the Lessee has good and valid title to the real and fixed properties and franchises now owned by it, subject to the lien of the Trust Indenture dated February 1, 1945, from the Lessee to The First National Bank Trust Company of Oklahoma City as Trustee, as amended and supplemented, provided, however, that such opinion need not cover title to rights-of-way or easements for transmission or distribution lines; and (xi) except in localities where the Lessee has no franchises, which are relatively few and not of large population, the Lessee has sufficient authority under statutory provisions or by grants of franchises or permits by municipalities or counties to own or lease any property and conduct its business as presently conducted;

(i) An opinion, dated such Closing Date, of Carroll, Connelly, Hartigan & Hillery, counsel for the Builder, addressed to the Assignee, the Vendee and the Lessee, to the effect that (i) the Builder is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has the power and authority to own or lease its properties and to carry on its business as now conducted, (ii) the Conditional Sale Agreement has been duly authorized, executed and delivered by the Builder and, assuming the due authorization, execution and delivery thereof by the other parties thereto, is a legal, valid and binding instrument enforceable against the Builder in accordance with its terms, (iii) this Assignment has been duly authorized, executed and delivered by the Builder and, assuming the due authorization, execution and delivery hereof by the Assignee, is a legal, valid and binding instrument enforceable against the Builder in accordance with its terms, (iv) the Assignee is vested with all the rights, titles and interests of the Builder purported to be assigned to the Assignee by this Assignment and (v) the Assignee is vested with a valid perfected security interest in the units of the Equipment in such Group and such units, at the time of delivery thereof under the Conditional Sale Agreement, were free from all claims, liens, security interests and other encumbrances (except only the rights of the Vendee and the Lessee under the Conditional Sale Agreement and the rights of the Lessee under the Lease);

(j) An opinion, dated such Closing Date of Richard Fick Purcell, General Counsel for the Interim Lender, addressed to the Assignee and the Builder, stating that the Finance Agreement and the Note have each been duly authorized, executed and delivered by the Interim Lender and, assuming, in the case of the Finance Agreement, the due authorization, execution and delivery by the other

parties thereto, each is a legal, valid and binding instrument enforceable against the Interim Lender in accordance with their respective terms; and

(k) A receipt from the Builder for the Note to be delivered to it pursuant to this first paragraph of this Section 5.

In giving the opinions specified in subparagraphs (e), (f), (g), (h), (i) and (j) of this Section 5, counsel may qualify any opinion to the effect that any agreement is a legal, valid and binding instrument enforceable in accordance with its terms by a general reference to limitations as to enforceability imposed by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally. In giving the opinions specified in said subparagraphs (e) and (g), counsel may rely as to the authorization, execution and delivery by the Builder of the documents executed by the Builder and, to the extent applicable, title to the Equipment at the time of delivery thereof under the Conditional Sale Agreement on the opinion of counsel for the Builder delivered pursuant to said subparagraph (i), as to the authorization, execution and delivery by the Vendee of the documents executed by the Vendee on the opinion of counsel for the Vendee delivered pursuant to said subparagraph (f), as to the authorization, execution and delivery by the Lessee of the documents executed by the Lessee on the opinion of counsel for the Lessee delivered pursuant to subparagraph (h), as to the authorization, execution and delivery by the Interim Lender of the documents executed by the Interim Lender on the opinion of counsel for the Interim Lender delivered pursuant to said subparagraph (j) and as to any matters governed by the laws of the State of New Jersey on the opinion of counsel for the Vendee, which opinion may be limited to the laws of that State and applicable Federal laws, and as to any matters governed by the laws of the States of Oklahoma or Arkansas on the opinion of counsel named in said subparagraph (h).

The Note to be delivered to the Builder pursuant to the first paragraph of this Section 5 shall be substantially in the form of Annex B attached hereto. The obligation of the Assignee hereunder to deliver a Note with respect to any Group of Equipment is hereby expressly conditioned upon the Assignee's having received from the Interim Lender, prior to the Closing Date with respect to such Group, a Note in form suitable for delivery hereunder. The Assignee shall not be obligated to deliver a Note at any time while an event of default or any event which, with notice, demand and/or lapse of time would constitute an event of default shall have occurred and be continuing under the Conditional Sale Agreement. In the event

that the Assignee shall not deliver a Note on the Closing Date, as aforesaid, the Assignee shall reassign to the Builder, without recourse to the Assignee, all right, title and interest of the Assignee in and to the units of the Equipment with respect to which a Note has not been delivered to the Builder by the Assignee.

SECTION 6. The Assignee may assign all or any of its rights under the Conditional Sale Agreement, including the right to receive any payments due or to become due to it from the Vendee or the Lessee thereunder. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, and upon giving the written notice required in Article 15 of the Conditional Sale Agreement, enjoy all the rights and privileges and be subject to all the obligations of the Assignee hereunder.

SECTION 7. The Builder hereby:

(a) represents and warrants to the Assignee and the Vendee and their respective successors and assigns, that the Conditional Sale Agreement was duly authorized by it and lawfully executed and delivered by it for good and valuable consideration; and, assuming the due authorization, execution and delivery thereof by the Vendee and the Lessee, the Conditional Sale Agreement is a legal, valid and binding agreement upon the Builder in accordance with its terms and it is now in full force and effect without amendment thereto;

(b) agrees that it will from time to time and at all times, at the request of the Assignee or the Vendee or their respective successors or assigns, make, execute and deliver all such further instruments of assignment, title, transfer and assurance and do such further acts and things as may be necessary and appropriate in the premises to give effect to the provisions hereinabove set forth and more perfectly to confirm the rights, titles and interests hereby assigned, transferred and set over to the Assignee or intended so to be; and

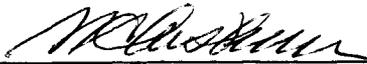
(c) agrees that, upon request of the Assignee or its successors or assigns, it will execute any and all instruments which may be necessary or proper in order to discharge of record the Conditional Sale Agreement or any other instrument evidencing any interest of the Builder therein or in the Equipment.

SECTION 8. The terms of this Assignment and all rights and obligations hereunder shall be governed by the laws of the State of Oklahoma; provided, however, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act and such additional rights arising out of the filing, recording, registering or depositing, if any, of the Conditional Sale Agreement or this Assignment as shall be conferred by the laws of the several jurisdictions in which the Conditional Sale Agreement or this Assignment shall be filed, recorded, registered or deposited and any rights arising out of the markings on the units of the Equipment.

SECTION 9. This Assignment may be executed in any number of counterparts, but the counterpart delivered to the Assignee shall be deemed to be the original counterpart. Although this Assignment is dated as of February 1, 1977 for convenience, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

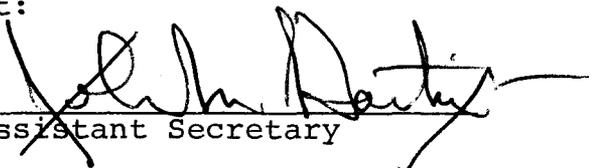
IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused this Assignment to be signed in their respective corporate names by duly authorized officers and their respective corporate seals to be hereunder affixed and duly attested, all as of the date first above written.

THRALL CAR MANUFACTURING COMPANY

By   
Vice President

(CORPORATE SEAL)

Attest:

  
Assistant Secretary

FIRST NATIONAL BANK AND TRUST  
COMPANY OF OKLAHOMA CITY, as Agent

By   
Vice President

(CORPORATE SEAL)

Attest:

  
Assistant Cashier

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

On this 14<sup>th</sup> day of March, 1977, before me personally appeared S. D. CHRISTMANSON, to me personally known, who, being by me duly sworn, says that he is a Vice President of Thrall Car Manufacturing Company, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and 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.

J. L. Faulconer  
Notary Public

(NOTARIAL SEAL)

My commission expires

8/30/78

STATE OF OKLAHOMA )  
 ) SS.  
COUNTY OF OKLAHOMA )

On this 3 day of March, 1977, before me personally appeared JAKE L. RILEY, to me personally known, who, being by me duly sworn, says that he is a Vice President of First National Bank and Trust Company of Oklahoma City, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and 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.

Fern Morris  
Notary Public

(NOTARIAL SEAL)

My commission expires

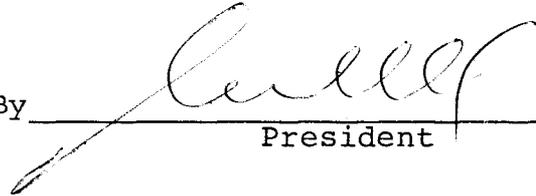
FEB 07 1981

ACKNOWLEDGMENT OF NOTICE OF ASSIGNMENT

Receipt of a copy of, and due notice of the assignment made by, the foregoing Agreement and Assignment is hereby acknowledged as of February 1, 1977.

CONNELL LEASING, INC.

By



\_\_\_\_\_  
President

OKLAHOMA GAS AND ELECTRIC COMPANY

By



\_\_\_\_\_  
Vice President

Annex A to Agreement  
and Assignment

CLOSING CERTIFICATE AND AGREEMENT

To the Parties Named in  
Annex A Hereto

Gentlemen:

This Certificate is delivered to each of you in compliance with the requirements of the Agreement and Assignment dated as of February 1, 1977 between Thrall Car Manufacturing Company (the Builder) and First National Bank and Trust Company of Oklahoma City, as Agent (the Assignee), and as an inducement to and as part of the consideration for the units of equipment delivered on the date hereof and your execution and delivery of the Finance Agreement dated as of February 1, 1977 (the Finance Agreement) among the Assignee, Connell Leasing, Inc. (the Vendee), Connell Rice & Sugar Co., Inc. (the Interim Lender), the Builder and the parties named in Annex A to the Finance Agreement (the Investors) and the undersigned, Oklahoma Gas & Electric Company (the Company) and the delivery of the Note of the Interim Lender on the date hereof pursuant to the provisions of the Agreement and Assignment. The terms which are capitalized herein shall have the same meanings as in the Finance Agreement.

Section 1. Representations and Warranties.

The Company hereby represents and warrants to each of you as follows:

1.1. Corporate Organization and Authority. The Company is a corporation duly organized, validly existing and in good standing under the laws of Oklahoma; has all requisite power and authority and all necessary licenses and permits to own or lease and operate its respective properties and to carry on its business as now conducted; and is duly licensed or qualified and is in good standing as a foreign corporation in each jurisdiction in which such qualification is necessary to carry out the terms of the Finance Agreement, the Lease and the Conditional Sale Agreement.

1.2. Financial Statements. (a) The balance sheet of the Company as of December 31 in each of the years 1972 to 1976, both inclusive, and the consolidated statements of income

and retained earnings and changes in financial position for the fiscal years ended on said dates prepared and certified by Arthur Andersen & Co. have been prepared in accordance with generally accepted accounting principles consistently applied, and present fairly the financial position of the Company as of such dates and the results of operations and changes in financial position of the Company for such periods.

(b) Since December 31, 1976, there has been no change in the condition, financial or otherwise, of the Company as shown on the balance sheet as of such date except changes in the ordinary course of business, none of which, individually or in the aggregate, has had a materially adverse impact.

1.3. Full Disclosure. The financial statements referred to in Section 1.2 do not, nor does any written statement furnished by the Company to you in connection with the negotiation of the Lease, contain any untrue statement of a material fact or omit a material fact necessary to make the statements contained therein or herein not misleading. There is no fact known to the Company which the Company has not disclosed to you in writing which materially affects adversely the properties, business, profits or condition (financial or otherwise) of the Company.

1.4. Pending Litigation. There are no actions, suits or proceedings pending or, to the knowledge of the Company, threatened, against or affecting the Company in any court or before any governmental authority or arbitration board or tribunal which if adversely determined would materially and adversely affect the properties, business, prospects, profits or condition (financial or otherwise) of the Company. The Company is not in violation of any order, writ, judgment, injunction, decree, determination or award of any court or governmental authority or arbitration board or tribunal.

1.5. Transactions are Legal and Authorized. The execution and delivery by the Company of the Finance Agreement, the Conditional Sale Agreement and the Lease and compliance by the Company with all of the provisions of said instruments --

(a) are within the corporate powers of the Company;  
and

(b) will not violate any provisions of any law or any order of any court or governmental authority or agency and will not conflict with or result in any breach of any of the terms, conditions or provisions of, or constitute a default under the articles of Incorporation or By-Laws of the Company or any in-

denture or other agreement or instrument to which the Company is a party or by which it may be bound or result in the imposition of any liens or encumbrances on any property of the Company.

1.6. No Defaults. No Event of Default as defined in the Lease has occurred and is continuing and no event has occurred and is continuing which with the lapse of time, demand or the giving of notice, or both, would constitute an Event of Default as therein defined. The Company is not in default in the payment of principal or interest on any indebtedness for borrowed money or in default under any instrument or instruments or agreements under and subject to which any indebtedness for borrowed money has been issued and no event has occurred and is continuing under the provisions of any such instrument or agreement which with the lapse of time or the giving of notice, or both, would constitute an Event of Default thereunder.

1.7. Governmental Consent. No approval, consent, withholding of objection or other action on the part of any regulatory body, state, Federal or local, is necessary in connection with the execution, delivery and performance by the Company of the Finance Agreement, the Conditional Sale Agreement or the Lease or compliance by the Company with any of the provisions of any of said instruments.

1.8. Taxes. All Federal income tax returns required to be filed by the Company have been filed, and all taxes which are shown to be due and payable in such returns have been paid. The Federal income tax liability of the Company has been finally determined by the Internal Revenue Service and satisfied for all taxable years up to and including the taxable year ended December 31, 19-- and no material controversy in respect of additional income taxes due since said date is pending or, to the knowledge of the Company, threatened. The provision for taxes on the books of the Company is adequate for all open years, and for its current fiscal period.

1.9. In the Company's current best estimate made in good faith, the residual value of the units of equipment at the end of the term of the Lease shall be at least equal to 20% of the original cost to the Lessor and that the expected estimated useful life of the units of Equipment is at least 19 1/2 years. In support thereof, the Company submits herewith a written advice of a registered professional engineer of the State of Oklahoma, familiar with the construction of the units of equipment and their intended use, stating that,

in his opinion, the units of equipment will have a useful life of at least 19 1/2 years and a fair market value at the end of the original term of the Lease of at least 20 percent of the Purchase Price thereof without including in such value any increase or decrease for inflation during the term of the Lease and after subtracting from such value any cost to the Lessor for removal and delivery of possession of the units of equipment to the Lessor at the end of the Lease term.

OKLAHOMA GAS AND ELECTRIC COMPANY

By \_\_\_\_\_

Its \_\_\_\_\_

Dated: \_\_\_\_\_, 1977

ANNEX A

Thrall Car manufacturing Company  
Chicago, Illinois

Connell Leasing, Inc.  
Westfield, New Jersey

Connell Rice & Sugar Co., Inc.  
Westfield, New Jersey

First National Bank and Trust Company of Oklahoma City,  
as Agent  
Oklahoma City, Oklahoma

Employers Mutual Liability Insurance Company of Wisconsin  
Wausau, Wisconsin

Knights of Columbus  
New Haven, Connecticut

The Union Central Life Insurance Company  
Cincinnati, Ohio

Minneapolis Teachers Retirement Fund Association  
Minneapolis, Minnesota

Annex B to Agreement  
and Assignment

NON-INTEREST  
PROMISSORY NOTE

\$ \_\_\_\_\_

Dated: \_\_\_\_\_, 1977

FOR VALUE RECEIVED, the undersigned, CONNELL RICE & SUGAR CO., INC., hereby promises to pay to THRALL CAR MANUFACTURING COMPANY, (the "Builder"), the principal sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), without interest, on or before \_\_\_\_\_ at Post Office Box 218, Chicago Heights, Illinois 60401. All or any part of this Note may be prepaid without notice, penalty or premium.

CONNELL RICE & SUGAR CO., INC.

By \_\_\_\_\_  
Vice President and  
Treasurer

(SEAL)