

RECORDATION NO. 8661 Filed & Recorded

DETROIT BANK & TRUST COMPANY
JAN 17 1977 - 11 43 AM

RECEIVED

RECORDATION NO. 8661-4 Filed & Recorded

DETROIT, MICHIGAN 48231

JAN 17 1977 - 11 43 AM

I. C. C. FEE OPERATION BR.

ROBERT C. ROBINSON
VICE PRESIDENT

INTERSTATE COMMERCE COMMISSION
January 14, 1977

RECORDATION NO. 8661 Filed & Recorded

Br 17 A 060

Secretary
Interstate Commerce Commission
Constitution Ave. & 12th, N.W.
Washington, D.C. 20423

JAN 17 1977 - 11 43 AM

Date JAN 17 1977

Fee \$ 70

INTERSTATE COMMERCE COMMISSION

ICC Washington, D. C.

Subject: Assignment of Lease and Security Agreements covering Lease Receivables and Equipment

Dear Sir

Enclosed please find for filing and recordation under Section 20-C of the Interstate Commerce Act and the regulations promulgated thereunder, two fully executed and acknowledged counterparts and one certified true copy of the following described documents:

1. Assignment of Lessor's interest in Lease between Bay Aviation Company and The Detroit Bank and Trust Company dated January 12, 1977.
2. A Security Agreement covering equipment executed by Charles A. Pinkerton, Jr. dated January 12, 1977.
3. A Security Agreement covering Lease Receivables executed by Charles A. Pinkerton, Jr. dated January 12, 1977.

INTERSTATE COMMERCE COMMISSION RECEIVED

JAN 17 1977

ADMINISTRATIVE SERVICES MAIL UNIT

A general description of the equipment covered by the above documents is as follows:

One (1) remanufactured M-K designated Locomotive
Serial No. 84779

Enclosed you will find our Cashier Check No. LD-2196 in the amount of \$70.00 made payable to the Interstate Commerce Commission to cover recordation fees for the above.

Please return one recorded counterpart of the aforesaid documents to my attention.

Very truly yours

THE DETROIT BANK & TRUST COMPANY
P.O. Box 59, Detroit, MI 48231

Enclosures

ASSIGNMENT OF LESSOR'S INTEREST IN LEASE

JAN 17 1977 - 11 45 AM

INTERSTATE COMMERCE COMMISSION

THIS ASSIGNMENT, made this 12 day of January 1977, by BAY AVIATION COMPANY, a Michigan corporation, whose address is 120 Oak Street, Tawas City, Michigan (herein called the "Assignor"), to THE DETROIT BANK & TRUST COMPANY, a Michigan banking corporation having its principal office at 211 West Fort Street, Detroit, Michigan (herein called the "Assignee"),

W I T N E S S E T H:

WHEREAS, the Assignor and Charles A. Pinkerton, Jr. are parties to a certain Agency and Management Agreement dated November 14, 1975 whereby the Assignor receives compensation as agent for the performance of certain duties, including the management of certain equipment; and,

WHEREAS, by reason of said Agreement, Assignor is financially interested in aiding Charles A. Pinkerton, Jr. obtain financing from THE DETROIT BANK & TRUST COMPANY for the equipment to be managed and is, in general, interested in aiding Charles A. Pinkerton, Jr. obtain financing; and,

WHEREAS, the Assignee has, or will make, certain loans to Charles A. Pinkerton, Jr. for the purchase of a remanufactured M-K designated Locomotive;

NOW, THEREFORE, FOR VALUE RECEIVED, the Assignor hereby grants, transfers, and assigns to the Assignee, its successors and assigns all of the right, title and interest of the Assignor in and to that certain Lease, with modifications, if any, a copy of which is attached hereto as Exhibit A, covering equipment (herein called the "Equipment") described as:

One (1) remanufactured M-K designated Locomotive
Serial Number 84779.

together with any extensions thereof and any guarantees of the lessee's obligations under any thereof (said Lease, together with all such guarantees, modifications and extensions, being hereinafter referred to as the "Lease").

For the purpose of securing (a) payment of all sums and indebtedness now or at any time hereafter due the Assignee under the terms of that certain Promissory Note dated November 8, 1976, in the principal amount of Ninety Thousand (\$90,000) Dollars, or any extensions, modifications or renewals thereof; and (b) performance and discharge of each obligation, covenant and agreement of the Assignor contained herein or in any other instrument securing the aforementioned indebtedness.

THE ASSIGNEE AGREES that:

- A. So long as there shall exist no default by the Assignor in the payment of any indebtedness secured hereby or in the performance of any obligation of the Assignor herein or in any other instrument securing said indebtedness, the Assignor shall have the right to collect, but not more than 30 days prior to accrual, all rents, issues and profits from the Equipment under the Lease and to retain, use and enjoy the same.
- B. Upon the payment in full of all indebtedness secured hereby, this Assignment shall become and be void and of no effect.

6. After any attempt by the Assignor to exercise any of the rights described in Paragraph 2 or after any default by the Assignor in the payment of said indebtedness or in the performance of any obligation of the Assignor herein or in any other instrument securing said indebtedness, the Assignee, at its option, without notice, and without regard to the adequacy of security for the indebtedness hereby secured, either in person or by agent with or without bringing any action or proceeding, or by a receiver to be appointed by a court, may: take possession of the Equipment; make, enforce, modify, and accept the surrender of leases; fix or modify rents; and do any acts which the Assignee deems proper to protect the security hereof until all indebtedness, secured hereby is paid in full, and either with or without taking possession of the Equipment in its own name, sue for or otherwise collect and receive all rents, including those past due and unpaid, and apply the same, less costs and expenses of collection, including reasonable attorneys' fees, upon any indebtedness secured hereby in such order as the Assignee may determine. Any income received from the Equipment by the Assignee in excess of the amount necessary to meet all obligations of the Assignor secured hereby, including any accelerated indebtedness, shall be paid over by the Assignee to the Assignor.
7. The Assignor covenants and warrants that: (a) The Assignor has not executed any prior assignment of any of its rights under the Lease; (b) the Assignor has not done anything which might prevent the Assignee from or limit the Assignee in operating under any of the provisions hereof; (c) the Assignor has not accepted rent under the Lease more than 30 days in advance of its due date; (d) so far as the Assignor knows, there is no present default by the Lessee under the Lease; and (e) the Lease is unmodified and in full force and effect.
8. The Assignee shall not be obligated to perform or discharge any obligation under the Lease, or under or by reason of this Assignment, and the Assignor hereby agrees to indemnify the Assignee against and hold it harmless from any and all liability, loss or damage which it may or might incur under the Lease or under or by reason of this Assignment and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligation or undertaking on its part to perform or discharge any of the terms of the Lease; should the Assignee incur any such liability, loss or damage under the Lease or under or by reason of this Assignment, or in defense against any such claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, together with interest thereon at P+1 % per annum, shall be secured hereby, and the Assignor shall reimburse the Assignee therefor immediately upon demand.
9. This Assignment shall inure to the benefit of the successors and assigns of the Assignee and shall bind the Assignor's legal representatives, successors and assigns.

THE PARTIES AGREE that all notices, demands or documents which are required or permitted to be given or served hereunder shall be in writing and shall be deemed given when sent by registered mail addressed to the Assignor and Assignee at the addresses furnished above; and that such addresses may be changed from time to time by either party by serving notice as above provided.

IN WITNESS WHEREOF, the Assignor has duly executed this Assignment the day and year first above written.

WITNESSES:

Blair C. Highfield
Joy Spradle

Blair C. Highfield
Joy Spradle

ASSIGNOR

Bay Aviation Company

By *Charles A. Pinkerton, Jr.*
Charles A. Pinkerton, Jr.
Its President

ASSIGNEE

The Detroit Bank & Trust Company

By *Robert C. Robinson*
Robert C. Robinson
Its Vice President