

STEPTOE & JOHNSON

1250 CONNECTICUT AVENUE

WASHINGTON, D. C. 20036

CHERYL A. SKIGIN

(202) 862-2053

15381034

No.

Date JUL 15 1980

Fee \$ 20.00

ICC Washington, D. C.

July 14, 1980

RECORDATION NO. 11879

Filed 1425

JUL 15 1980

11 20 AM

INTERSTATE COMMERCE COMMISSION

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RECEIVED

Ms. Agatha Mergenovich, Secretary
Interstate Commerce Commission
Room 2215, 12th and Constitution
Washington, DC 20423

Dear Ms. Mergenovich:

Enclosed for filing and recordation pursuant to the provisions of 49 U. S. C. § 11303 are several copies of the following document which relates to the railroad equipment described and marked in accordance with Schedule A to this letter:

Lease Assignment dated as of July 15, 1980 between Brae Corporation and The Connecticut Bank and Trust Company (of the Lease Agreement dated as of June 2, 1980 between Brae Corporation and the Texas, Oklahoma and Eastern Railroad Company).

The names and addresses of the parties to the transactions evidenced by the document described above are as follows:

Assignor:	Brae Corporation 3 Embarcadero Center San Francisco, CA 94111
Assignee:	The Connecticut Bank and Trust Company One Constitution Plaza Hartford, CT

It is requested that this document be filed and recorded under the names of the parties set forth above. In view of the fact that it relates to the Equipment Trust Agreement dated as of May 1, 1980 between Brae Corporation and The Connecticut Bank and Trust Company, previously recorded and assigned recordation No. 11879, it is additionally requested that this Lease Assignment be assigned the next available letter designation (which is believed to be "J") under that primary number.

Please cross-index the document under the name of Texas, Oklahoma & Eastern RR Co., 810 Whittington Avenue, Hot Springs, AR 71901. An additional \$10.00 has been included in the filing fee to cover the cross-indexing.

Erden Sengul

Cheryl Skigin

✓

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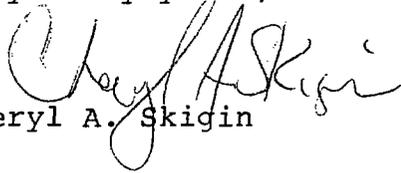
Ms. Mergenovich

-2-

July 14, 1980

Please return to the person presenting this letter: (1) your letter acknowledging the filing, (2) a receipt for the \$20.00 filing fee, (3) the enclosed copies of this letter, and (4) any copies of the document not required for recordation -- all stamped to indicate appropriate filing information.

Very truly yours,


Cheryl A. Skigin

mbm

Enclosures

SCHEDULE A

(To Transmittal Letter Dated July 14, 1980)

<u>Number of Cars</u>	<u>Description</u>	<u>Mechanical Designation</u>	<u>Car Numbers</u>	<u>Physical Dimensions</u>
200	General Purpose Boxcar 100-ton with E.O.C.	XP	TOE 3200 - TOE 3399, inclusive	50' 6" Length 9' 6" Inside Width 11' 1" Height

ASSIGNMENT OF LEASE AND AGREEMENT dated
as of July 15 1980 (this "Assignment")
by and between BRAE CORPORATION, a Delaware
corporation (together with its successors and
assigns, "BRAE"), and THE CONNECTICUT BANK
AND TRUST COMPANY, as Trustee, a corporation
organized under the laws of the State of
Connecticut (the "Trustee").

RECORDATION NO. 118729
Filed 125
JUL 15 1980 . 11 20 AM
INTERSTATE COMMERCE COMMISSION

WHEREAS BRAE has entered into an Equipment Trust Agreement dated as of May 1, 1980 (such Equipment Trust Agreement, together with any amendments or supplements thereto, hereinafter called the "Agreement");

WHEREAS BRAE and Texas, Oklahoma & Eastern RR Co. (the "Lessee") have entered into a lease of Equipment (as defined in the Agreement) dated as of June 2, 1980 (such lease, together with any amendments or supplements thereto, hereinafter called the "Lease"), providing for the leasing by BRAE to the Lessee of units of the Trust Equipment (as defined in the Agreement); and

WHEREAS in order to provide security for the obligations of BRAE under the Agreement and as an inducement to the investor for which the Trustee is acting to purchase Trust Certificates (as defined in the Agreement), BRAE agrees to assign for security purposes its right in, to and under the Lease to the Trustee;

NOW, THEREFORE, in consideration of the payments to be made and the covenants hereinafter mentioned to be kept and performed, the parties hereto agree as follows:

1. BRAE hereby assigns, transfers and sets over unto the Trustee, as collateral security for the payment and performance of BRAE's obligations under the Agreement, all of BRAE's right, title and interest, powers, privileges and other benefits under the Lease as and only to the extent that the Lease relates to the Trust Equipment set forth in Annex A hereto, including, without limitation, all rights to receive and collect all rentals, profits and other sums payable to or receivable by BRAE from the Lessee under or pursuant to the provisions of the Lease, whether as

rent, casualty payment, indemnity, liquidated damages or otherwise (such moneys hereinafter called the "Payments"); provided, however, that unless an Event of Default under the Agreement, or any event which, with notice or lapse of time or both, would constitute such an Event of Default, shall have occurred and be continuing, it is understood that BRAE shall be entitled to collect and receive all such Payments and to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an event of default specified in the Lease, and to apply all Payments to which BRAE is entitled to the payment of any and all of BRAE's obligations under the Agreement and to retain the balance, if any. In furtherance of the foregoing assignment, but subject to the foregoing provisions of this paragraph, BRAE hereby irrevocably authorizes and empowers the Trustee in its own name, or in the name of its nominee, or in the name of BRAE or as its attorney, to ask, demand, sue for, collect and receive any and all Payments to which BRAE is or may become entitled under the Lease, and to enforce compliance by the Lessee with all the terms and provisions thereof.

2. This Assignment is executed only as security for the obligations of BRAE under the Agreement and, therefore, the execution and delivery of this Assignment shall not subject the Trustee to, or transfer, or pass, or in any way affect or modify, the liability of BRAE under the Lease, it being understood and agreed that notwithstanding this Assignment or any subsequent assignment, all obligations of BRAE to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns, against, and only against BRAE or persons other than the Trustee.

3. To protect the security afforded by this Assignment, BRAE agrees as follows:

(a) BRAE will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Lease provides is to be performed by BRAE.

(b) At BRAE's sole cost and expense, BRAE will appear in and defend every action or

proceeding arising under, growing out of or in any manner connected with the obligations, duties or liabilities of BRAE under the Lease.

(c) Should BRAE fail to make any payment or to do any act which this Assignment requires BRAE to make or do, then the Trustee, but without obligation so to do, after first making written demand upon BRAE and affording BRAE a reasonable period of time within which to make such payment or do such act, but without releasing BRAE from any obligation hereunder, may make or do the same in such manner and to such extent as the Trustee may deem necessary to protect the security provided hereby, including specifically, without limiting its general powers, the right to appear in and defend any action or proceeding purporting to affect the security hereof and the rights or powers of the Trustee, and also the right to perform and discharge each and every obligation, covenant and agreement of BRAE contained in the Lease; and, in exercising any such powers, the Trustee may pay necessary costs and expenses, employ counsel and incur and pay reasonable attorneys' fees, and BRAE will reimburse the Trustee for such costs, expenses and fees.

4. Upon the full discharge and satisfaction of all of BRAE's obligations under the Agreement and this Assignment, all rights herein assigned to the Trustee shall terminate, and all estate, right, title and interest of the Trustee in and to the Lease shall revert to BRAE, and the Trustee shall take such action as BRAE may reasonably request to confirm BRAE's estate, right, title and interest in and to the Lease.

5. BRAE will, from time to time, do and perform any other act and will execute, acknowledge, deliver and file, register, deposit and record (and will refile, reregister, rerecord or redeposit whenever required) any and all further instruments required by law or reasonably requested by the Trustee in order to confirm or further assure the interests of the Trustee hereunder.

6. If an Event of Default shall occur and be continuing under the Agreement, the Trustee may assign all or any of the rights assigned to it hereby or arising under the Lease, including, without limitation, the right to receive any Payments due or to become due. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Trustee hereunder. The Trustee will give written notice to BRAE and the Lessee of any such assignment.

7. This Assignment shall be governed by the laws of the State of New York, but the parties shall be entitled to all rights conferred by the laws of the United States of America permitting filing with the Interstate Commerce Commission.

8. This Assignment shall not be deemed delivered by BRAE until accepted by the Trustee in New York, New York.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective names, by officers thereunto duly authorized, and their respective seals to be affixed and duly attested, all as of the date first above written.

BRAE CORPORATION,

[Corporate Seal]

Attest:

Ernest L. Brazil
Assistant Secretary

Lawrence W. Busio
Vice President

THE CONNECTICUT BANK AND TRUST
COMPANY, as Trustee,

by

P. L. Kuyper

Title:

Vice Pres.

[Corporate Seal]

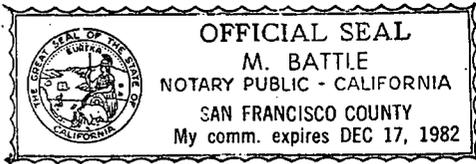
Attest:

M. G. Babashian
Title:

Asst. Treas.

STATE OF California
COUNTY OF San Francisco ss.:

On this 10th day of July, 1980, before me personally came Laura H. Bisset to me known, who, being by me duly sworn, did depose and say that he resides at San Francisco; that he is the V.P. of BRAE CORPORATION, one of the corporations described in and which executed the above instrument; that he knows the corporate seal of said Corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed on this day by authority of the Board of Directors of said Corporation; and that he signed his name thereto on this day by like authority.



M. Battle
Notary Public

[Seal]

STATE OF New York)
COUNTY OF New York) ss.:

On this 14th day of July, 1980, before me personally came PC Nargavics, to me known, who, being by me duly sworn, did depose and say that he resides at 429 E. 53rd St. N.Y. N.Y.; that he is the Vice President of THE CONNECTICUT BANK AND TRUST COMPANY, one of the corporations described in and which executed the above instrument; that he knows the corporate seal of said Corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed on this day by authority of the Board of Directors of said Corporation; and that he signed his name thereto on this day by like authority.

Holly B. Hanes
Notary Public

[Seal]

HOLLY B. HANES
NOTARY PUBLIC, State of New York
No. 31-4687697
Qualified in New York County
Commission Expires March 30, 1981

<u>No. of Units</u>	<u>Road Numbers</u>	<u>Description</u>	<u>AAR Mechanical Designation</u>
111	TOE 3200 - TOE 3399	50'6" 100 Ton Boxcars	XP