

BRAE CORPORATION

RECORDATION NO. 10844-*J* Filed 1426

JUN 19 1980 12:55 PM

INTERSTATE COMMERCE COMMISSION

June 16, 1980

Ms. Agatha Mergenovich
Secretary
Interstate Commerce Commission
Office of the Secretary
S.E. Room 2215
Washington, DC 20423

0-171A014
JUN 19 1980
Date
Fee \$ 10.00
ICC Washington, D. C.

Dear Ms. Mergenovich:

Enclosed for filing and recordation pursuant to the provisions of 49 U.S.C. § 11303 are several copies of a Second Amendment Agreement dated as of April 30, 1980 to the Security Agreement, Chattel Mortgage and Lease Assignment dated as of September 20, 1979 between Brae Corporation and Citicorp Industrial Credit, Inc., as amended by Amendment Agreement dated as of January 10, 1980 and Amendment Agreement Number Two dated as of February 13, 1980 which relate to the railroad equipment described on and marked in accordance with Amended Schedule A to this letter.

The names and addresses of the parties described above are as follows:

Company: Brae Corporation
Three Embarcadero Center
San Francisco, CA 94111

Assignee: Citicorp Industrial Credit, Inc.
44 Montgomery Street
San Francisco, CA 94104

The Security Agreement, Chattel Mortgage and Lease Assignment dated as of September 20, 1979 between Brae Corporation and Citicorp Industrial Credit, Inc. was duly filed and recorded under Recordation No. 10844, as amended by Amendment Agreement dated as of January 10, 1980 which was duly filed and recorded under Recordation No. 10844-H and by Amendment Agreement Number Two which was duly filed and recorded under Recordation No. 10844-I.

JUN 19 12:55 PM '80
FEE OPERATION
RECEIVED

Brian Niedermeyer
Cl. [Signature]

Please file and record the enclosed document assigning it the first subletter available under Recordation No. 10844 and cross-index the document under the names listed above.

Enclosed is a check payable to the Interstate Commerce Commission in the amount of \$10.00, the prescribed fee for filing and recording the enclosed document.

Please return to the person presenting this letter your letter confirming such filing and recordation, your fee receipt therefor and all copies of the enclosed document not required for filing stamped with your pertinent filing information.

Very truly yours,


Michael T. Everett
Assistant Secretary

Enclosure

AMENDED SCHEDULE "A"

EQUIPMENT DESCRIPTION

<u>Lessee/User</u>	<u>Car Number and Car Description</u>	<u>Quantity</u>	<u>Manufacturer</u>
(1) North Stratford Railroad	General Purpose Boxcars NSRC: 400 through NSRC: 424	25	Rebuilt by Railway Indus- trial Services, Inc.
(2) AGRI	Covered Hopper Cars WAR 14000-14099 WAR 14230-14249	120	National Steel Car
(3) Genesse and Wyoming Railroad	Covered Hopper Cars GNWR: 810305 through GNWR: 810344	40	National Steel Car
(4) International Minerals and Chemicals Corpora- tion/Warrenton R.R.	Covered Hopper Cars	100	Pullman

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SECOND AMENDMENT AGREEMENT

INTERSTATE COMMERCE COMMISSION

THIS SECOND AMENDMENT AGREEMENT dated as of April 30, 1980 (the "Second Amendment"), by and between BRAE CORPORATION (the "Company"), and CITICORP INDUSTRIAL CREDIT, INC. ("Citicorp").

WITNESSETH:

WHEREAS, the Company and Citicorp entered into a Security Agreement Chattel Mortgage and Lease Assignment dated as of September 20, 1979, as amended by an Amendment Agreement dated as of January 10, 1980 (as so amended, the "Security Agreement"); and

WHEREAS, the parties hereto desire to amend the Security Agreement as hereinafter set forth.

NOW, THEREFORE, the parties agree as follows:

1. The terms used in this Second Amendment which are defined in the Security Agreement shall have the same meanings herein as specified therein.
2. The definition of Consolidated Shareholders' Equity appearing on page 13 of Rider Number One to the Security Agreement as originally executed is amended by the addition of the phrase "(other than Investments)" after the word "investments" in the seventh line of such definition.
3. The definition of Consolidated Tangible Net Worth appearing on page 15 of Rider Number One to the Security Agreement as originally executed is amended by the addition of the phrase "(other than Investments)" after the phrase "Restricted Investments" in the eleventh line of such definition.
4. The definition of Generally Accepted Accounting Principles appearing on page 15 of Rider Number One to the Security Agreement as originally executed is amended by the deletion of the period at the end of such definition and the addition of the phrase "except that any Investments of the Company described in clauses (v) or (vi) of the definition of Investments shall be accounted for by the Company on the equity method of accounting for all purposes of this Agreement, whether or not such Investments are accounted for by the Company on the equity method of accounting for financial reporting purposes generally."

5. The definition of Investments appearing on page 16 of Rider Number One to the Security Agreement as originally executed is amended by the deletion of the word "and" in the sixteenth line of such definition, by the deletion of the period at the end of such definition and the substitution of a comma therefor and by the addition of the following clauses thereafter:

"(v) any investments in any form (including, without limitation, purchases of voting stock, non-voting stock, partnership shares or shares of beneficial interest in a trust, loans, guarantees of indebtedness, capital contributions or contributions to a trust estate) whether made directly or through a Subsidiary in (a) the "Leasing Company" to be organized pursuant to the Project Agreement dated February 12, 1980 between PACCAR INC., a Delaware corporation ("PACCAR"), and Brae Rail Venture Corporation, a California corporation, which is a wholly-owned subsidiary of the Company, which Leasing Company will be owned 90% by PACCAR and 10% by the Company and will carry on no business other than owning and leasing up to 9,400 railcars and activities related thereto; and (b) a trust in which the Company or a Subsidiary is to have a 15% beneficial interest and Ford Motor Credit Company is to have an 85% beneficial interest and which trust will carry on no business other than owning and leasing approximately 1200 railcars with an aggregate original cost of approximately \$47,000,000 and activities related thereto; provided, however, that in all cases pursuant to this clause (v) the Company shall, at the time such investment is made, have undertaken the actual management of the railcars owned by the corporation or trust in which the Company has made such investment, whether by management contract, informal arrangement or otherwise; and

"(vi) any investments in the form of voting stock, non-voting stock, preferred stock, options, warrants, or debt instruments convertible into any of the foregoing, in any of the six corporations identified to Citicorp in a letter from the Company dated March 25, 1980; provided, however, (a) that any investments made pursuant to this clause (vi) shall be outstanding at any time in only one of such six corporations except for investments in

another of such six corporations which investments the Company or any Subsidiary is in the process of liquidating, (b) that at any time the aggregate investments at such time made pursuant to this clause (vi) shall not exceed \$40,000,000, (c) that no more than 50% of the aggregate investments made pursuant to this clause (vi) shall be acquired using Funded Debt or Current Debt which is permitted by Section 6.05(d), (d) that investments made pursuant to this clause (vi) shall be expected by the Company to result in the acquisition by the Company of not less than a 15% interest in one of such six corporations, and (e) that, upon the expiration of a period of 18 months from the date on which the first investment was made pursuant to this clause (vi), any investment made pursuant to this clause (vi) shall no longer be deemed an Investment, for purposes of Section 6.05 (e), but rather shall be deemed a Restricted Investment made on the date of the expiration of such 18-month period."

6. Section 19(c) appearing on pages 3-4 of Rider Number One to the Security Agreement as originally executed is amended by the deletion of the word "and" in the fourth line of clause (vi), by the deletion of the period at the end of clause (vii) and the substitution of a semicolon therefor followed by the addition of the word "and", and by the addition of the following clause:

"(viii) any Lien secured by all or part of an Investment described in clauses (v) or (vi) of the definition of Investments and incurred in connection with the acquisition or carrying of such Investment; provided that (a) the Debt secured thereby is permitted by Section 6.05(d), and (b) the aggregate amount of Debt secured by all such Liens on Investments of the type described in clause (vi) shall not exceed 50% of the amount of such Investments."

7. Except as modified hereby, the Security Agreement shall remain in full force and effect.

8. This Second Amendment may be executed in any number of counterparts, each of which shall be deemed an original but all of which when taken together shall constitute a single instrument.

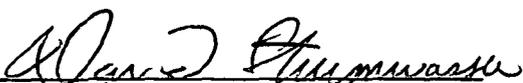
9. The provisions of this Second Amendment and all rights and obligations of the parties hereunder shall be governed by the laws of the State of California.

10. The Company shall, at its expense, cause this Amendment to be filed with the Interstate Commerce Commission pursuant to 49 U.S.C. §11303, as soon as possible.

IN WITNESS WHEREOF, the Company and Citicorp have caused their names to be signed hereto by their respective officers thereunto duly authorized as of the date first above written.

Attest:

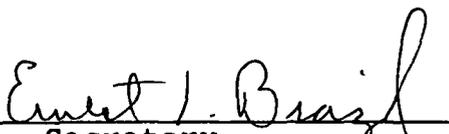
CITICORP INDUSTRIAL CREDIT, INC.


Assistant Secretary

By: 
Vice-President

Attest:

BRAE CORPORATION


Secretary

By: 
Lawrence W. Briscoe
Vice President -
Finance

STATE OF NEW YORK)
)
COUNTY OF NEW YORK)

ss.:

On the 9th day of May, 1980, before me personally came JOHN LATHERWOOD, to me known, who, being by me duly sworn, did depose and say that he resides at 399 MARK AVE NEW YORK, N.Y.; that he is a Vice President, of CITICORP INDUSTRIAL CREDIT, INC., one of the corporations described in and which executed the above amendment; that he knows the corporate seal of said corporation; that the seal affixed to said amendment is such corporate seal; that it was so affixed by the authority of the Board of Directors of said corporation; and that he signed his name thereto by like authority.

Regina Pietrangolare
Notary Public
REGINA PIETRANGOLARE
Notary Public, State of New York
No. 03-4696607
Qualified in Bronx County
Certificate filed in New York County
Commission Expires March 30, 1981

[Notarial Seal]

California
STATE OF ~~NEW YORK~~) ALA
San Francisco) ALA
COUNTY OF ~~NEW YORK~~

ss.:

On the 6th day of May, 1980, before me personally came LAWRENCE W. BRISCOE, to me known, who, being by me duly sworn, did depose and say that he resides at 2683 Green Street, San Francisco, California; that he is the Vice President - Finance of BRAE CORPORATION, one of the corporations described in and which executed the above amendment; that he knows the corporate seal of said corporation; that the seal affixed to said amendment is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation; and that he signed his name thereto by like authority.

Mirella R. Abbo
Notary Public

[Notarial Seal]

