

STEPTOE & JOHNSON

1250 CONNECTICUT AVENUE

WASHINGTON, D. C. 20036

RECORDATION NO. 11498-~~11498~~ Filed & Recorded

AUG 4 1980 - 10 20 AM

CHERYL A. SKIGIN  
(202) 862-2053

INTERSTATE COMMERCE COMMISSION

August 4, 1980

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

0-2171021  
Date  
Fee \$ 10.00

RECEIVED  
AUG 4 10 15 AM '80  
FEE OPERATION BR.  
I.C.C.

Dear Ms. Mergenovich:

ICC Washington, D. C.

Enclosed for filing and recordation pursuant to the provisions of 49 U. S. C. § 11303 are several copies of the following document:

Second Amendment dated as of August 1, 1980 to the Equipemnt Trust Agreement dated as of January 1, 1980, as amended by a First Amendment dated as of April 1, 1980 between The Connecticut Bank and Trust Company and Brae Corporation.

It relates to the railroad equipment marked as follows:

CWP 300 - CWP 549 and CLC 3501 - CLC 3550,  
TOE 3501 - TOE 3550, IAT 3000 - IAT 3024, inclusive.

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

Debtor/Guarantor: Brae Corporation  
3 Embarcadero Center  
San Francisco, CA 94111

Trustee: The Connecticut Bank and  
Trust Company  
One Constitution Plaza  
Hartford, CT 06115

It is requested that this document be filed and recorded under the names of the parties as set forth above. In view of the fact that it relates to the Equipment Trust Agreement, previously assigned recordation number 11498, it is additionally requested that it be assigned the next available letter designation (which is believed to be "J") under that primary number.

*Charles E. Ferris*  
*Cheryl A. Skigin*

Ms. Mergenovich

- 2 -

August 4, 1980

Please return to the person presenting this letter: (1) your letter acknowledging the filing, (2) a receipt for the \$10.00 filing fee paid by check drawn on this firm, (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

SECOND AMENDMENT dated as of August 1, 1980 ("Amendment") to the Equipment Trust Agreement dated as of January 1, 1980, as amended by a First Amendment dated as of April 1, 1980 (the "Equipment Trust Agreement") between The Connecticut Bank and Trust Company, as Trustee ("Trustee"), and BRAE CORPORATION (the "Company")

REPLY NO. 11498  
Filed & Recd

RECITALS

AUG 4 1980 -10 20 AM

The Company has requested that the Trustee amend the Equipment Trust Agreement in the manner set forth below. The Trustee has received from the holder of 100% in principal amount of the outstanding Trust Certificates a written consent to execute this Amendment.

INTERSTATE COMMERCE COMMISSION

Section 9.02 of the Equipment Trust Agreement provides for the amendment of the Equipment Trust Agreement pursuant to such written consent.

ACCORDINGLY, THE PARTIES HERETO AGREE AS FOLLOWS:

1. The terms used in this Amendment which are defined in the Equipment Trust Agreement shall have the same meanings herein as specified therein.

2. Section 2.02 of the Equipment Trust Agreement is amended by deleting the second sentence of the first paragraph and substituting the following two sentences therefor:

"Except as set forth in the immediately following sentence, the principal amount of each Trust Certificate originally issued hereunder will be payable in 60 consecutive quarterly installments, each such quarterly installment being in an amount equal to the amount obtained by subtracting the interest due on such Trust Certificate on the date of payment from 3.784298% of the original principal amount thereof (provided that any interest accruing hereunder during the month of the issuance of such Trust Certificate shall not be subtracted from the first such payment of principal), on the last day of February, May, August and November in each year, commencing May 31, 1980 and ending February 28, 1995, both inclusive, except to the extent that prepayments are applied to the prepayment of installments as provided in Section 2.03(d) (the final installment being in any event in an amount equal to the remaining principal amount owing on such Trust Certificate). The first payment of principal with respect to any Trust Certificate issued after March 1, 1980 and prior to August 31, 1980 shall be paid on August 31, 1980 and shall be an amount equal to 1.14930% of the original principal amount of such Trust Certificate and the remaining 58 payments of principal shall be calculated in the manner set forth in the preceding sentence."

3. Section 2.02 of the Equipment Trust Agreement is further amended by deleting the first parenthetical of the penultimate sentence of the first paragraph thereof and adding the following at the end of said sentence:

"Each Trust Certificate issued prior to March 1, 1980 shall bear interim interest on the principal amount thereof from the date of issuance thereof until and including February 29, 1980 at the rate of 13% per annum, such interim interest to be due and payable within five (5) days after the execution of this Amendment by the parties hereto. Any Trust Certificate issued subsequent to March 1, 1980 but prior to August 31, 1980 shall bear interim interest on the principal amount thereof from the date of issuance of such Trust Certificate until and including August 31, 1980 at the rate of 13% per annum such interim interest to be due and payable on August 31, 1980."

4. Each and every reference in the Equipment Trust Agreement to the sum of "10,000,000" is hereby deleted and the sum of \$10,350,000." is substituted thereof.

5. Schedule A to the Equipment Trust Agreement is amended to (i) make certain changes as set forth on Amended Schedule A as attached hereto and (ii) release the interest of the Trustee under the Equipment Trust Agreement in boxcars bearing identifying marks and numbers CLC 3501-CLC 3550 (both inclusive) and in the Lease Agreement dated as of July 13, 1979 between the Company and Columbia & Cowlitz Railway company (together with the related Substitution Agreement and Substitution Agreement Number Two).

6. Notwithstanding the definition of "Lease" as set forth on pages 15-16 of the Equipment Trust Agreement, the Lease Agreement dated as of July 1, 1980 between the Company and Texas, Oklahoma & Eastern RR Co. shall be deemed to be a Lease for all purposes set forth in the Equipment Trust Agreement. The Company agrees to deliver promptly to the Trustee an acknowledgement of the security assignment of the foregoing Lease Agreement executed by the lessee described therein.

7. The form of Trust Certificates as set forth in the Equipment Trust Agreement shall be amended substantially as provided in Exhibit A hereto. Upon the execution and delivery of this Amendment, the Company agrees to execute and deliver replacement Equipment Trust Certificate(s) substantially in the form set forth in Exhibit A. Upon delivery of the replacement Trust Certificate(s), the Trustee shall deliver the cancelled original Trust Certificates which have been so replaced.

8. The Trustee hereby agrees to waive the provision set forth in the first sentence of Section 6.02(d) that requires the Company to deliver from time to time opinions of Canadian counsel.

9. Except as modified hereby, the Equipment Trust Agreement shall remain in full force and effect.

10. This 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.

11. The provisions of this Amendment and all rights and obligations of the parties hereunder shall be governed by the laws of the State of New York.

12. 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 the Trustee have caused their names to be signed hereto by their respective officers thereunto duly authorized and their corporate seals, duly attested, to be hereunto affixed as of the date first above written.

THE CONNECTICUT BANK AND  
TRUST COMPANY, AS TRUSTEE

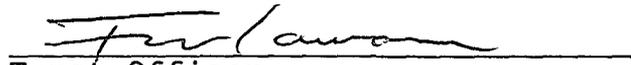
(Corporate Seal)

Attest:

  
Assistant Secretary

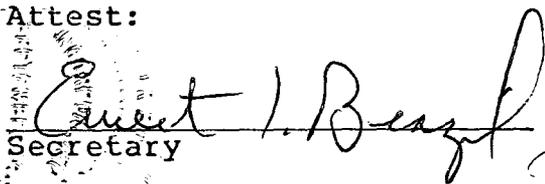
ASSISTANT VICE PRESIDENT

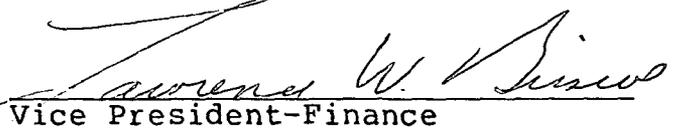
(Corporate Seal)

  
Trust Officer VICE PRESIDENT

BRAE CORPORATION

Attest:

  
Secretary

  
Vice President-Finance

AMENDED SCHEDULE A  
EQUIPMENT DESCRIPTION

<u>Lessee</u>	<u>Number of Cars</u>	<u>Identification Nos. (Incl)</u>	<u>Physical Description</u>	<u>AAR Designation</u>
CHICAGO, WEST PULLMAN AND SOUTHERN RAILROAD COMPANY*	250	CWP 300 CWP 549	52'6" 100-ton Gondola Cars	GB
TEXAS OKLAHOMA & EASTERN RR CO.**	50	TOE 3501 TOE 3550	52'6" 70-ton Double 8' Plug Doors, 2' Offset Boxcars	XP
IOWA TERMINAL RAILROAD ***	25	IAT 3000 IAT 3024	52'6" 100-ton Gondola Cars	GB

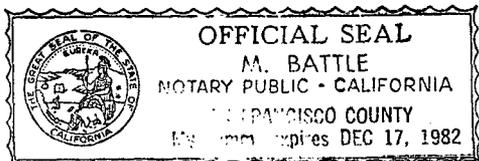
\* Lease Agreement, dated as of August 14, 1979, between such Lessee and the Company

\*\* Lease Agreement, dated as of July 1, 1980, between such Lessee and the Company

\*\*\* Lease Agreement, dated as of January 16, 1980 between such Lessee and the Company. The Cars described in and leased pursuant to said Lease Agreement will be comprised of twenty-five (25) gondola cars which shall be terminated with respect to the Lease Agreement dated August 14, 1979 with Chicago, West Pullman and Southern Railroad Company.

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF SAN FRANCISCO )

On the 31st day of July, 19 80, before me personally appeared Lawrence W. Briscoe, to me known, who, being by me duly sworn, did depose and say that he is the V.P. of BRAE Corporation, the corporation which executed the above instrument; that he signed his name to the above instrument by authority of the Board of Directors of said corporation; and that he acknowledged that the execution of the above instrument was the free act and deed of such corporation.



[seal]

M. Battle  
Notary Public

My Commission Expires: 12/17/82

STATE OF CONNECTICUT )  
 ) ss.  
COUNTY OF HARTFORD )

On this 1st day of August, 19 80, before me personally appeared F. W. KAWAM, to me personally known, who, being by me duly sworn, did depose and say that he is the VICE PRESIDENT of THE CONNECTICUT BANK AND TRUST CO., the corporation which executed the above instrument, that he signed his name to the above instrument by authority of the Board of Directors of said corporation; and that he acknowledged that the execution of the above instrument was the free act and deed of such corporation.

[seal]

Barbara S. Kacich  
Notary Public

My Commission Expires: BARBARA S. KACICH  
NOTARY PUBLIC  
MY COMMISSION EXPIRES MARCH 31, 1982

EXHIBIT "A"

No. 0-2

May 31, 1980

\$10,000,000

BRAE CORPORATION  
12.875% Equipment Trust Certificate  
First 1980 Series  
Due February 28, 1995

THE CONNECTICUT BANK AND TRUST COMPANY,  
Trustee

THE CONNECTICUT BANK AND TRUST COMPANY, as Trustee (the "Trustee") under an Equipment Trust Agreement (the "Equipment Trust Agreement") dated as of January 1, 1980 between the Trustee and BRAE Corporation, a Delaware corporation (the "Company"), certifies that CONNECTICUT GENERAL LIFE INSURANCE COMPANY or order is entitled to an interest of \$10,000,000 principal amount in BRAE Corporation Equipment Trust, First 1980 Series, due and payable on or before February 28, 1995, in installments as hereinafter provided, and to interest as follows:

1. interim interest on the principal amount hereof from February 14 to and including February 29, 1980 at the rate of 13% per annum, such interim interest to be due and payable on August 4, 1980;

2. interest thereafter on the amount of unpaid principal from time to time due and owing pursuant to this Trust Certificate, due and payable the last day of February, May, August and November in each year, commencing on May 31, 1980 at the rate of 12.875% per annum from February 29, 1980 until such principal amount becomes due and payable; and

3. interest on any overdue principal and premium (if any) and, to the extent permitted by applicable law, on any overdue interest, at the rate of 13.875% per annum.

Interest shall be computed hereunder on the basis of a 360-day year of twelve 30-day months.

Payments of principal and interest shall be payable by the Trustee at the office of the Trustee at One

Constitution Plaza, Hartford, Connecticut 06115, Attention: Corporate Trust Department (the "Corporate Trust Office"), in immediately available funds in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Each of such payments shall be made only from and out of rentals or other moneys received by the Trustee and applicable to such payment under the provisions of the Equipment Trust Agreement.

The original principal amount of this Trust Certificate is due and payable in 60 consecutive quarterly installments, each such installment in an amount equal to the amount obtained by subtracting the interest due hereon on the date of payment from 3.784298% of the original principal amount hereof (provided that any interest accruing hereunder during the month of the original issuance of this Trust Certificate shall not be subtracted from the first such payment of principal), on the last day of February, May, August and November in each year, commencing May 31, 1980 and ending February 28, 1995, both inclusive, except to the extent prepayments are applied as provided in the Equipment Trust Agreement to the prepayment of installments (the final installment being in any event in an amount equal to the remaining principal amount owing on this Trust Certificate). This Trust Certificate is subject to prepayment in whole or in part, in certain cases with a premium, in other cases without a premium, as specified in the Equipment Trust Agreement.

This Trust Certificate is one of an authorized issue of Trust Certificates, in an aggregate principal amount not exceeding \$10,350,000, issued or to be issued under the Equipment Trust Agreement, under which certain railroad equipment leased to the Company (or cash or obligations defined in the Equipment Trust Agreement as "Permitted Investments" in lieu thereof, as provided in the Equipment Trust Agreement) is held by the Trustee in trust for the equal and ratable benefit of the holders of the outstanding Trust Certificates issued thereunder. Reference is made to the Equipment Trust Agreement (a copy of which is on file with the Trustee at the Corporate Trust Office) for a more complete statement of the terms and provisions thereof, to all of which the holder hereof, by accepting this Trust Certificate, assents.

The Trust Certificates are issuable as either registered or order Trust Certificates. This Trust Certificate is an order Trust Certificate and is transferable by endorsement and delivery.

In case of the happening of an Event of Default (as defined in the Equipment Trust Agreement) all installments of principal (and interest accrued thereon) represented by this Trust Certificate may become or be declared due and payable in the manner and with the effect provided in the Equipment Trust Agreement.

The provisions of this Trust Certificate, and all the rights and obligations of the Trustee, the Company and the holder hereof, shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the Trustee has caused this Trust Certificate to be signed by one of its duly authorized officers.

THE CONNECTICUT BANK AND TRUST  
COMPANY, as Trustee

By \_\_\_\_\_  
Title:

GUARANTY

BRAE Corporation, a Delaware corporation, for valuable consideration, hereby unconditionally guarantees to the holder of the within Trust Certificate the prompt payment when due of the principal of, and interest and premium (if any) on, such Trust Certificate, with interest on any overdue principal and premium (if any) and, to the extent permitted by applicable law, on any overdue interest, at the rate of 13.875% per annum, payable on demand, all in accordance with the terms of such Trust Certificate and the Equipment Trust Agreement referred to therein.

BRAE CORPORATION

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

NOTATION OF PREPAYMENT

The within Trust Certificate was issued in replacement of a like Trust Certificate originally issued on February 14, 1980. By reason of payments having heretofore been applied to pay or prepay installments, the within Trust Certificate in the principal amount of \$10,000,000 was, immediately after the payment on May 31, 1980, payable in 59 consecutive installments of principal, each such installment in an amount equal to the amount obtained by subtracting the interest due hereon on such installment payment date from \$378,429.80, on the last day of February, May, August and November in each of the years 1980 through 1995, commencing August 31, 1980, and payable by a final installment on February 28, 1995 in an amount equal to the remaining principal amount owing on the within Trust Certificate.

THE CONNECTICUT BANK AND TRUST  
COMPANY, as Trustee

By \_\_\_\_\_  
Title:

No. 0-3

August , 1980

\$350,000

BRAE CORPORATION  
12.875% Equipment Trust Certificate  
First 1980 Series  
Due February 28, 1995

THE CONNECTICUT BANK AND TRUST COMPANY,  
Trustee

THE CONNECTICUT BANK AND TRUST COMPANY, as Trustee (the "Trustee") under an Equipment Trust Agreement (the "Equipment Trust Agreement") dated as of January 1, 1980 between the Trustee and BRAE Corporation, a Delaware corporation (the "Company"), certifies that CONNECTICUT GENERAL LIFE INSURANCE COMPANY or order is entitled to an interest of \$350,000 principal amount in BRAE Corporation Equipment Trust, First 1980 Series, due and payable on or before February 28, 1995, in installments as hereinafter provided, and to interest as follows:

1. interim interest on the principal amount hereof from the date hereof to and including August 31, 1980 at the rate of 13% per annum, such interim interest to be due and payable on August 31, 1980;
2. interest thereafter on the amount of unpaid principal from time to time due and owing pursuant to this Trust Certificate, due and payable the last day of February, May, August and November in each year, commencing on November 30, 1980 at the rate of 12.875% per annum from August 31, 1980 until such principal amount becomes due and payable; and
3. interest on any overdue principal and premium (if any) and, to the extent permitted by applicable law, on any overdue interest, at the rate of 13.875% per annum.

Interest shall be computed hereunder on the basis of a 360-day year of twelve 30-day months.

Payments of principal and interest shall be payable by the Trustee at the office of the Trustee at One

Constitution Plaza, Hartford, Connecticut 06115, Attention: Corporate Trust Department (the "Corporate Trust Office"), in immediately available funds in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Each of such payments shall be made only from and out of rentals or other moneys received by the Trustee and applicable to such payment under the provisions of the Equipment Trust Agreement.

The original principal amount of this Trust Certificate is payable in 59 consecutive quarterly installments, the first such installment in an amount equal to 1.14930% of the original principal amount hereof, on August 31, 1980, and each such installment thereafter being in an amount equal to the amount obtained by subtracting the interest due hereon on the date of payment from 3.784298% of the original principal amount hereof, on the last day of February, May, August and November in each year, commencing November 30, 1980 and ending February 28, 1995, both inclusive, except to the extent that prepayments are applied as provided in the Equipment Trust Agreement to the prepayment of installments (the final installment being in any event in an amount equal to the remaining principal amount owing on this Trust Certificate). This Trust Certificate is subject to prepayment in whole or in part, in certain cases with a premium, in other cases without a premium, as specified in the Equipment Trust Agreement.

This Trust Certificate is one of an authorized issue of Trust Certificates, in an aggregate principal amount not exceeding \$10,350,000, issued or to be issued under the Equipment Trust Agreement, under which certain railroad equipment leased to the Company (or cash or obligations defined in the Equipment Trust Agreement as "Permitted Investments" in lieu thereof, as provided in the Equipment Trust Agreement) is held by the Trustee in trust for the equal and ratable benefit of the holders of the outstanding Trust Certificates issued thereunder. Reference is made to the Equipment Trust Agreement (a copy of which is on file with the Trustee at the Corporate Trust Office) for a more complete statement of the terms and provisions thereof, to all of which the holder hereof, by accepting this Trust Certificate, assents.

The Trust Certificates are issuable as either registered or order Trust Certificates. This Trust Certificate is an order Trust Certificate and is transferable by endorsement and delivery.

In case of the happening of an Event of Default (as defined in the Equipment Trust Agreement) all installments of principal (and interest accrued thereon) represented by this Trust Certificate may become or be declared due and payable in the manner and with the effect provided in the Equipment Trust Agreement.

The provisions of this Trust Certificate, and all the rights and obligations of the Trustee, the Company and the holder hereof, shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the Trustee has caused this Trust Certificate to be signed by one of its duly authorized officers.

THE CONNECTICUT BANK AND TRUST  
COMPANY, as Trustee

By \_\_\_\_\_  
Title:

#### GUARANTY

BRAE Corporation, a Delaware corporation, for valuable consideration, hereby unconditionally guarantees to the holder of the within Trust Certificate the prompt payment when due of the principal of, and interest and premium (if any) on, such Trust Certificate, with interest on any overdue principal and premium (if any) and, to the extent permitted by applicable law, on any overdue interest, at the rate of 13.875% per annum, payable on demand, all in accordance with the terms of such Trust Certificate and the Equipment Trust Agreement referred to therein.

BRAE CORPORATION

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