

BRAE CORPORATION

RECORDATION NO. 10844-21 Filed & Recorded

SEP 11 1986 10-05 AM

INTERSTATE COMMERCE COMMISSION

VIA HAND DELIVERY

September 9, 1986

Ms. Agatha Mergenovich, Secretary
Interstate Commerce Commission
12th & Constitution, Room 2215
Washington, D.C. 20423

Dear Ms. Mergenovich:

Enclosed for filing and recordation pursuant to the provisions of 49 U.S.C. Section 11303 are the following documents:

It is requested that the following documents be filed and recorded under the names of the parties as set forth below. In view of the fact that they relate to the Security Agreement Chattel Mortgage and Lease Assignment dated as of September 20, 1979 between BRAE Transportation, Inc. (formerly BRAE Corporation) and Citicorp Capital Investors previously recorded and assigned recordation number 10844, we request that they be assigned the next available letter designations under that primary number.

1. One original and five copies of the LEASE AGREEMENT dated as of December 1, 1984 between BRAE TRANSPORTATION, INC. as Lessor and SEABOARD SYSTEM RAILROAD as Lessee. This document relates to 215 covered hoppers AAR Mechanical Designation LO, marked SBD 252807 - 253013. The names and addresses of the parties to the transaction evidenced by the document described above are as follows:

BRAE TRANSPORTATION, INC., Four Embarcadero Center, Suite 3100, San Francisco, California 94111 and SEABOARD SYSTEMS RAILROAD, 500 Water Street, Jacksonville, Florida 32202

2. One certified copy and five copies of the LEASE AGREEMENT dated as of June 15, 1985 between BRAE TRANSPORTATION, INC. as Lessor and DELTA TRANSPORTATION COMPANY as Lessee. This document relates to 13 covered hoppers AAR Mechanical Designation LO, marked CAGY 260426 - 260544. The names and addresses of the parties to the transaction evidenced by the document described above are as follows:

BRAE TRANSPORTATION, INC., Four Embarcadero Center, Suite 3100, San Francisco, California 94111 and DELTA TRANSPORTATION COMPANY, P.O. Box 6000, Columbus, Mississippi 39701

Ms. Agatha Mergenovich, Secretary
September 9, 1986
Page Two

RECORDATION NO. 10844-21 Filed & Recorded

10844

SEP 11 1985 10-05 AM

INTERSTATE COMMERCE COMMISSION

3. Two originals and five copies of the EIGHTH AMENDMENT AGREEMENT dated as of April 9, 1986 between BRAE TRANSPORTATION, INC. and CITICORP INDUSTRIAL CREDIT, INC. The names and addresses of the parties to the transaction evidenced by the document described above are as follows:

BRAE TRANSPORTATION, INC., Four Embarcadero Center, Suite 3100, San Francisco, California 94111 and CITICORP INDUSTRIAL CREDIT, INC., 450 Mamaroneck Avenue, 3rd Floor, Harrison, New York 10528

4. Two originals and five copies of the NINTH AMENDMENT AGREEMENT dated as of April 29, 1986 between BRAE TRANSPORTATION, INC. and CITICORP INDUSTRIAL CREDIT, INC. The names and addresses of the parties to the transaction evidenced by the document described above are as follows:

BRAE TRANSPORTATION, INC., Four Embarcadero Center, Suite 3100, San Francisco, California 94111 and CITICORP INDUSTRIAL CREDIT, INC., 450 Mamaroneck Avenue, 3rd Floor, Harrison, New York 10528

5. Two originals and five copies of the TENTH AMENDMENT AGREEMENT dated as of April 29, 1986 between BRAE TRANSPORTATION, INC. and CITICORP INDUSTRIAL CREDIT, INC. The names and addresses of the parties to the transaction evidenced by the document described above are as follows:

BRAE TRANSPORTATION, INC., Four Embarcadero Center, Suite 3100, San Francisco, California 94111 and CITICORP INDUSTRIAL CREDIT, INC., 450 Mamaroneck Avenue, 3rd Floor, Harrison, New York 10528

6. Two originals and five copies of the PARTICIPATION AGREEMENT dated as of June 2, 1986 between BRAE RAILCAR MANAGEMENT, INC., BRAE TRANSPORTATION, INC. and CITICORP INDUSTRIAL CREDIT, INC. The names and addresses of the parties to the transaction evidenced by the document described above are as follows:

BRAE RAILCAR MANAGEMENT, INC. and BRAE TRANSPORTATION, INC., Four Embarcadero Center, Suite 3100, San Francisco, California 94111 and CITICORP INDUSTRIAL CREDIT, INC., 450 Mamaroneck Avenue, 3rd Floor, Harrison, New York 10528

Ms. Agatha Mergenovich, Secretary
September 9, 1986
Page Three

It is requested that the following documents be filed and recorded under the names of the parties as set forth below. In view of the fact that they relate to the EQUIPMENT TRUST AGREEMENT dated as of June 1, 1979 between BRAE TRANSPORTATION, INC. (formerly BRAE Corporation) and Morgan Guaranty Trust COMPANY of New York (as Trustee) previously recorded and assigned recordation number 11303, we request that they be assigned the next available letter designations under that primary number.

1. Two originals and five copies of the NINTH AMENDMENT dated as of May 5, 1986 between BRAE TRANSPORTATION, INC. and MORGAN GUARANTY TRUST COMPANY OF NEW YORK (as Trustee). The names and addresses of the parties to the transaction evidenced by the document described above are as follows:

BRAE TRANSPORTATION, INC., Four Embarcadero Center, Suite 3100, San Francisco, California 94111 and MORGAN GUARANTY TRUST COMPANY of New York, 30 West Broadway, New York, New York 10015

2. Two originals and five copies of the TENTH AMENDMENT dated as of May 8, 1986 between BRAE TRANSPORTATION, INC. and MORGAN GUARANTY TRUST COMPANY OF NEW YORK (as Trustee). The names and addresses of the parties to the transaction evidenced by the document described above are as follows:

BRAE TRANSPORTATION, INC., Four Embarcadero Center, Suite 3100, San Francisco, California 94111 and MORGAN GUARANTY TRUST COMPANY of New York, 30 West Broadway, New York, New York 10015

It is requested that the following documents be filed and recorded under the names of the parties as set forth below. In view of the fact that they relate to the EQUIPMENT TRUST AGREEMENT dated as of January 1, 1980 between BRAE TRANSPORTATION, INC. (formerly BRAE Corporation) and THE CONNECTICUT BANK AND TRUST COMPANY (as Trustee) previously recorded and assigned recordation number 11498, we request that they be assigned the next available letter designations under that primary number.

1. Two originals and five copies of the EIGHTH AMENDMENT dated as of February 12, 1986 between BRAE TRANSPORTATION, INC. and THE CONNECTICUT BANK AND TRUST COMPANY (as Trustee). The names and addresses of the parties to the transaction evidenced by the document described above are as follows:

BRAE TRANSPORTATION, INC., Four Embarcadero Center, Suite 3100, San Francisco, California 94111 and the CONNECTICUT BANK AND TRUST COMPANY, One Constitution Plaza, Hartford, Connecticut 06115-1600

Ms. Agatha Mergenovich, Secretary
September 9, 1986
Page Four

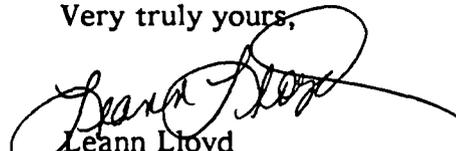
2. Two originals and five copies of the NINTH AMENDMENT dated as of April 11, 1986 between BRAE TRANSPORTATION, INC. and THE CONNECTICUT BANK AND TRUST COMPANY (as Trustee). The names and addresses of the parties to the transaction evidenced by the document described above are as follows:

BRAE TRANSPORTATION, INC., Four Embarcadero Center, Suite 3100, San Francisco, California 94111 and he CONNECTICUT BANK AND TRUST COMPANY, One Constitution Plaza, Hartford, Connecticut 06115-1600

I also enclose a check in the amount of \$100.00 for the required recordation fees.

Please return: (1) your letter acknowledging the filings, (2) a receipt for the \$100.00 filing fee paid by check drawn on this firm, (3) the enclosed copies of this letter and (4) the originals and four copies of each of the document (retaining one for your files) all stamped with your official recordation information.

Very truly yours,



Leann Lloyd
Corporate Secretary

Enclosures

cc: Feroze Waheed

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INTERSTATE COMMERCE COMMISSION

TENTH AMENDMENT AGREEMENT

THIS TENTH AMENDMENT AGREEMENT dated as of ~~May~~ JUNE 2, 1986 (the "Amendment"), by and between BRAE TRANSPORTATION, INC. (formerly BRAE Corporation) (the "Company"), and CITICORP INDUSTRIAL CREDIT, INC. ("Citicorp").

WITNESSETH:

WHEREAS, the Company and Citicorp entered into a Security Agreement, Chattel Mortgage, and License Assignment dated as of September 20, 1979, as amended by Amendment Agreements dated as of January 10, 1980, February 13, 1980, April 30, 1980, September 9, 1982, March 22, 1985, June 28, 1985 (two Amendments so dated), April 9, 1986, and April 29, 1986 (as so amended, the "Security Agreement");

WHEREAS, the parties wish to make certain other amendments to the Security Agreement as hereinafter set forth:

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

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

2. Subsection (1) of Section 19.00 (Negative Covenants) is amended and restated in its entirety as set forth below:

(1) Notwithstanding any term, covenant, agreement, condition, prohibition, restriction or provision in this Security Agreement to the contrary, the Company and/or its Restricted Subsidiaries and/or its Unrestricted Subsidiaries may sell or transfer the stock of National Piggyback Services, Inc. (together with BRAE Surface Transportation Group, Commodities operations) ("National Piggyback Services") and BRAE Brokerage Services, Inc. (together with Intermodal Brokerage Services, Inc.) ("BRAE Brokerage Services") for a purchase price of not less than \$55 million, payable in a combination of cash and notes (with maturities not in excess of ninety days), representing at least \$22 million for National Piggyback Services and the balance for BRAE Brokerage Services; provided further that the proceeds from such transaction (including the cash proceeds received upon payment of the notes) shall be used only for general

corporate purposes and shall not be used to pre-pay indebtedness of the Company and/or its Restricted Subsidiaries; and provided further that at least \$7.5 million of the proceeds (Restricted Proceeds) shall be invested and remain invested in Investments (as said term was originally defined on Page 16 of Rider Number One to the Security Agreement) or used to pay the principal portion of the Senior Funded Debt service of the Company and its Restricted Subsidiaries outstanding as of March 31, 1986. In the event that in any consecutive six (6) month period beginning with the period from April 1, 1986, to and including September 30, 1986, the principal portion of the Senior Funded Debt service of the Company and its Restricted Subsidiaries has been in excess of the Cash Flow of the Company and its Restricted Subsidiaries for such six (6) month period, then the Company may pay an amount equal to such excess from the Restricted Proceeds within 45 days of the end of such period, provided, however, that if such period shall end on March 31, the Company may pay within 60 days of the end of such period. Cash Flow of the Company and its Restricted Subsidiaries for any such period shall mean the net income of the Company and its Restricted Subsidiaries plus the amount of any provision for taxes for such period (less any taxes actually paid during such period) plus an amount equal to the amount of depreciation for such period.

3. Except as modified hereby, the Security Agreement remains in full force and effect. The parties hereto expressly acknowledge and agree that this Amendment does not release any of Citicorp's right, title, or interest in and to the Collateral and does not modify or amend any of the payment terms.

4. 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.

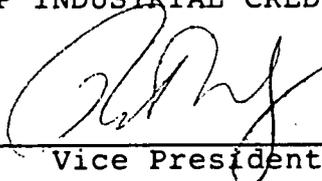
5. The provisions of this Amendment and all rights and obligations of the parties hereunder shall be governed by the laws of the State of California.

6. The Company shall, at its expense, cause this Amendment to be filed with the Interstate Commerce Commission pursuant to 49 U.S.C. Section 11303, as soon as possible and shall provide Citicorp with evidence of such filing.

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

CITICORP INDUSTRIAL CREDIT, INC.

By:


Vice President

(Corporate Seal)

Attest:

Asst 
Secretary

BRAE TRANSPORTATION, INC.

By:


Vice-President

(Corporate Seal)

Attest:


Secretary

STATE OF NEW YORK)
)
COUNTY OF WESTCHESTER) ss.

On the 2nd day of ~~May~~ ^{June}, 1986, before me personally came ROBERT PARKER, to me personally known, who, being by me duly sworn, did depose and say that he is a VICE PRESIDENT of CITICORP INDUSTRIAL CREDIT, INC., the corporation described in and on whose behalf he 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.

ROBERT R. GOLDBERG
Notary Public, State of New York
No. 31-4690571
Qualified in New York County
Commission Expires March 30, 1987



Notary Public

(Notarial Seal)

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

On the 12th day of ~~May~~ ^{June}, 1986, before me personally appeared FEROZE A. WAHEED, to me personally known, who being by me duly sworn, says that he is the Vice-President of BRAE TRANSPORTATION INC., a Delaware Corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was on ~~May~~ ^{JUNE} 12, 1986, signed and sealed on behalf of said corporation by authority of its Board of Directors; and that he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Notary Public

