

RED BUD FUNDING, LIMITED PARTNERSHIP
WORLD FINANCIAL CENTER
NORTH TOWER - 27TH FLOOR
250 VESEY STREET
NEW YORK, NEW YORK 10281-1327

July 11, 1996

RECORDATION 17824-E

JUL 11 1996 4:00 PM

INTERSTATE GOVERNMENT COMMISSION

BY HAND

Office of the Secretary
Surface Transportation Board
Washington, D.C. 20423
Attention: Vernon A. William

Dear Mr. William:

I have enclosed an original and one copy of the document described below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

This document is a complete discharge, a secondary document, as defined in 40 CFR 1177.1(b), dated as of July 11, 1996. The primary document to which this is connected is recorded under Recordation No. 17824.

The names and addresses of the parties to this document are:

Lessor: Red Bud Funding, Limited Partnership
c/o ML Leasing Equipment Corp.
World Financial Center
North Tower
250 Vesey Street
New York, New York 10281

Lessee: Oklahoma Gas and Electric Company
101 North Robinson
Oklahoma City, Oklahoma 73102

Collateral Agent: Credit Lyonnais New York Branch,
as collateral agent
Credit Lyonnais Building
1301 Avenue of the Americas
New York, New York 10019

This document terminates (i) the Lease Agreement, dated as of June 25, 1992 (the "Lease"), between Red Bud Funding, Limited Partnership (the "Lessor") and Oklahoma Gas and Electric Company (the "Lessee"), and (ii) the Security Agreement, dated as of June 25, 1992 (the "Security Agreement"), between the Lessor and Credit

Counterparts - William A. Steffen

Lyonnais New York Branch, as collateral agent (the "Collateral Agent"), which Security Agreement granted to the Collateral Agent a security interest in, and a lien upon, all of the Lessor's right, title and interest in, to and under the Lease. Under the Lease, railroad equipment having the following description was leased:

Three hundred thirty-six (336) 120-ton gondola cars with aluminum bodies, approximately 4,700 cu. ft. capacity bearing identification marks and numbers OGEX 2336, A.A.R. car type J311, and any other railroad equipment which was acquired by the Lessor covered by the Lease intended for use related to interstate commerce.

We enclose the fee of \$21.00 for recordation. Please return the original and any extra copies not needed by the Board for recordation to the bearer of this letter.

A short summary of the document to appear in the index follows:

Termination of Lease Agreement and Security Agreement, a secondary document to Lease (hereinafter defined), a primary document with recordation number 17824, dated as of July 11, 1996, among Red Bud Funding, Limited Partnership (the "Lessor"), Oklahoma Gas and Electric Company (the "Lessee") and Credit Lyonnais New York Branch, as collateral agent (the "Collateral Agent"), terminating (i) the Lease Agreement, dated as of June 25, 1992 (the "Lease"), between the Lessor and the Lessee, relating to three hundred thirty-six (336) 120-ton gondola cars with aluminum bodies, approximately 4,700 cu. ft. capacity bearing identification marks and numbers OGEX 2336, A.A.R. car type J311, and any other railroad equipment acquired by the Lessor intended for use related to interstate commerce and (ii) the Security Agreement, dated as of June 25, 1992, between the Lessor and the Collateral Agent, which Security Agreement granted a security interest to the Collateral Agent in all of the Lessor's right, title and interest in, to and under the Lease.

Very truly yours,

RED BUD FUNDING, LIMITED PARTNERSHIP
By Red Bud Capital, Inc.,
its General Partner

By: Jean M. Tomaselli
Jean M. Tomaselli
Vice President and
Assistant Secretary

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

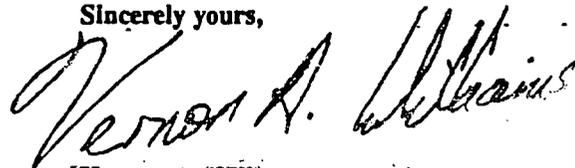
7/11/96

Jean M. Tomaselli
Red Bud Funding, Limited Partnership
World Financial Center
North Tower-27th Floor
250 Vesey Street
New York, New York 10281-1327

Dear

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of
the Interstate Commerce Act, 49 U.S.C. 11303, on 7/11/96 at 1:20PM , and
assigned recordation number(s). 17824-E.

Sincerely yours,

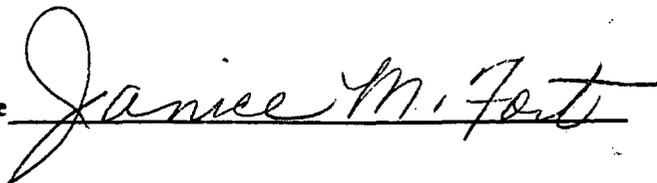


Vernon A. Williams
Secretary

Enclosure(s)

\$ 21.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



17824-E
CONFIDENTIAL

JUL 11 1996 11:00 PM

TERMINATION OF LEASE AGREEMENT AND SECURITY AGREEMENT

INTERSTATE COMMERCIAL CORPORATION

TERMINATION OF LEASE AGREEMENT AND SECURITY AGREEMENT (this "Agreement"), dated as of July 11, 1996, among Red Bud Funding, Limited Partnership ("Red Bud"), Oklahoma Gas and Electric Company (the "Lessee") and Credit Lyonnais New York Branch ("CLNY"), as Collateral Agent (hereinafter defined).

WHEREAS, Red Bud and the Lessee entered into a Lease Agreement, dated as of June 25, 1992 (the "Lease");

WHEREAS, Red Bud and CLNY, as collateral agent (in such capacity, the "Collateral Agent") for (i) Union Bank of Switzerland, as fronting bank for the commercial paper support facility referred to in the Credit Agreement, dated as of June 25, 1992 (the "Credit Agreement"), among Red Bud, the banks parties thereto and CLNY, as agent; (ii) the banks (the "Banks") that are parties to the Credit Agreement; (iii) itself as agent for the Banks; (iv) the holders from time to time of the Commercial Paper Notes (as defined in the Credit Agreement); and (v) CLNY and Credit Lyonnais Cayman Island Branch, as lender under the Loan Agreement, dated as of June 25, 1992, entered into with Red Bud, have entered into a Security Agreement, dated as of June 25, 1992 (the "Security Agreement", and together with the Lease, the "Documents"); and

WHEREAS, the parties hereto desire to terminate the Documents;

NOW, THEREFORE, in consideration of the agreements set forth below, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Termination of the Documents. Each of the parties hereto agrees that (i) except with respect to those provisions which expressly survive the termination of either of the Documents, the Documents to which it is a party are hereby terminated, such termination to be effective as of the date hereof, (ii) any requirement for notice (whether written or oral) with respect to the termination of any of the Documents is hereby waived by the respective parties to the Documents, and (iii) any other requirement or condition precedent to the termination of any of the Documents is hereby waived or shall be deemed to have been satisfied, as the case may be.

2. Termination of Security Interest; Delivery of Instruments.

(i) The Collateral Agent and Red Bud agree that the security interest created by the Security Agreement is hereby terminated.

(ii) The Collateral Agent hereby agrees with Red Bud to deliver to Red Bud (A) UCC-3 termination statements, (B) Counterpart No. 1 to the Lease, and (C) at Red Bud's expense, such other instruments and documents that Red Bud may reasonably request in order to evidence the termination of the Collateral Agent's security interest in the property of Red Bud.

3. Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, when executed and delivered, shall be deemed an original and all of which counterparts, taken together, shall constitute one and the same Agreement.

4. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

RED BUD FUNDING, LIMITED
PARTNERSHIP
By: RED BUD CAPITAL, INC.,
its general partner

By: Jean M. Tomaselli
Name: Jean M. Tomaselli
Title: Vice President and
Assistant Secretary

OKLAHOMA GAS AND ELECTRIC COMPANY

By: _____
Name:
Title:

CREDIT LYONNAIS NEW YORK BRANCH,
as Collateral Agent

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

RED BUD FUNDING, LIMITED
PARTNERSHIP
By: RED BUD CAPITAL, INC.,
its general partner

By: _____
Name:
Title:

OKLAHOMA GAS AND ELECTRIC COMPANY

By: James R. Hatfield
Name: James R. Hatfield
Title: Treasurer

CREDIT LYONNAIS NEW YORK BRANCH,
as Collateral Agent

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

RED BUD FUNDING, LIMITED
PARTNERSHIP
By: RED BUD CAPITAL, INC.,
its general partner

OKLAHOMA GAS AND ELECTRIC COMPANY

By: _____
Name:
Title:

By: _____
Name:
Title:

CREDIT LYONNAIS NEW YORK BRANCH,
as Collateral Agent

By: _____
Name:
Title: **ROBERT IVOSEVICH**
SENIOR VICE PRESIDENT

State of New York)
) ss.:
County of New York)

On this 18th day of July, 1996
before me personally appeared JOHN M. TOMASELLI,
to me personally known, who being by me duly sworn, says that
he is the VICE PRESIDENT of Red
Bud Capital, Inc., the general partner of Red Bud Funding,
Limited Partnership, that the seal affixed to the foregoing
instrument is the corporate seal of said general partner, that
said instrument was signed and sealed on behalf of Red Bud
Funding, Limited Partnership, by said general partner by the
authority of said general partner's Board of Directors, and
he acknowledged that the execution of the foregoing
instrument was the free act and deed of said general partner
on behalf of Red Bud Funding, Limited Partnership.


Notary Public

(SEAL)

My Commission Expires:

SUSAN M. ADINOLFI
Notary Public, State of New York
No. 24-4616502
Qualified in Suffolk County
Comm. Expires December 31, 1997

State of Oklahoma)
County of Oklahoma) ss.:

On this 11th day of July, 1996
before me personally appeared James L. Hatfield,
to me personally known, who being by me duly sworn, says that
he is the Treasurer
of Oklahoma Gas and Electric Company, that the seal affixed to
the foregoing instrument is the corporate seal of said
corporation, that said instrument was signed and sealed on
behalf of said corporation by authority of its Board of
Directors, and he acknowledged that the execution of the
foregoing instrument was the free act and deed of said
corporation.

(SEAL)

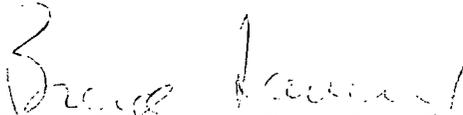
Shirley Kay Phinney
Notary Public

My Commission Expires: 3-1-98

State of New York)
County of New York) ss.:

On this 2nd day of July, 1996
before me personally appeared Robert Ivosevich,
to me personally known, who being by me duly sworn, says that
He is the Senior Vice President
of Credit Lyonnais, a French banking corporation, acting
through its New York Branch, that said instrument was signed
on behalf of said corporation by authority of its Board of
Directors, and ^{He} acknowledged that the execution of the
foregoing instrument was the free act and deed of said
corporation.

(SEAL)



Notary Public

My Commission Expires:

BREIGE LAVERY
Notary Public, State of New York
No. 41-4901746
Qualified in Queens County
Commission Expires Aug. 3, 199