

#7955

UNION-TIDEWATER FINANCIAL COMPANY, INC.

- LESSOR -

EQUIPMENT LEASE

P.O. BOX 2373
BALTIMORE & ST. PAUL STS.
BALTIMORE, MARYLAND 21203
Area Code (301) 539-2250

NO. 121-8-4

THE ATTACHED ADDENDA IS AN INTEGRAL PART OF THIS LEASE CONTRACT

Table with 2 columns: QUANTITY, Model, Catalog, Serial Number or Other Description. Contains details for 31 boxcars and their total value of \$421,887.68. Includes interest rate clause and recording information.

Location of Equipment: Various
Address of Lessee: 490 East Market Street, York, Pennsylvania 17403

SCHEDULE OF RENTAL PAYMENTS FOR BASE LEASE TERM. Table with 7 columns: No. of Years, No. of Rental Payments, Rental Payment Period, Amount of Each Rental Payment, Date of Commencement of Base Lease Term, Security Deposit or Advance Rentals, ANNUAL RENEWAL AFTER BASE LEASE TERM.

TERMS AND CONDITIONS OF LEASE

1. Lessor leases to Lessee and Lessee rents from Lessor the equipment listed above, or if separately scheduled, in the schedule hereto annexed as Schedule "A" and made a part hereof...

(SEE REVERSE SIDE FOR ADDITIONAL TERMS AND CONDITIONS)

APPROVED THIS 9 DAY OF June 19 75 EXECUTED THIS 6th DAY OF JUNE 19 75

UNION-TIDEWATER FINANCIAL COMPANY, INC. NAME OF LESSEE MARYLAND AND PENNSYLVANIA RAILROAD COMPANY

BY Eliot P. Hurd TITLE President BY [Signature] TITLE Vice Pres

ATTEST or WITNESS

2. **WARRANTIES:** Lessor is not a manufacturer or supplier of the Equipment, and makes NO WARRANTIES with respect to the Equipment, either express or implied, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE. Lessor authorizes Lessee to enforce in its own name any warranty, representation or other claim enforceable against the Seller. Lessor assumes no responsibility for shipment, delivery, installation or maintenance and all claims of Lessee with respect thereto, whether for delay, damage or otherwise, shall be made against Supplier. Lessor, at its option, may provide in its purchase order that supplier agrees that any of such claims may be made by Lessee directly against Supplier. The obligation of Lessee to pay the rent hereunder shall not be abated, impaired or reduced by reason of any claims of the Lessee with respect to Equipment condition, quality, workmanship, delivery, shipment, installation or otherwise.

3. **RENT:** Lessee shall pay the total rent for the Equipment in the periodic installments designated herein. Said rent shall be payable without notice or demand at the office of Lessor (or such other place as Lessor may from time to time designate in writing), on the first day of each rental period in advance. Any rental not paid when due shall bear interest at the rate of 5% per annum from due date as liquidated damages, if allowed by law.

4. **OWNERSHIP, SURRENDER:** No title or right in the equipment shall pass to Lessee except or herein expressly granted. Plates or other markings may be affixed to or placed on the equipment indicating that Lessor is the owner thereof and Lessee will not remove the same. Upon the termination of the lease period, Lessee will immediately return the equipment at Lessee's cost or expense to Lessor or to such place as Lessor shall specify, in as good condition as received less normal wear, tear and depreciation. The equipment shall always remain and be deemed personal property even though attached to realty. All replacements, equipment, repairs or accessories made to or placed in or upon the equipment shall become an accession thereto and title thereto shall be immediately vested in Lessor and shall be included under the terms hereof. All advances or payments made by Lessor to preserve the equipment or to pay insurance premiums for insurance thereon or to discharge and pay any taxes, liens or encumbrances thereon shall be added to the unpaid balance of rentals due hereunder and shall be payable by Lessee to Lessor immediately together with interest thereon at the rate of six per cent (6%) per annum until paid.

5. ~~**INSURANCE, LOSS AND DAMAGE, INDEMNITIES:** Lessee assumes the entire risk of loss or casualty from hazards, and no such loss shall relieve Lessee of its obligations hereunder, including the obligation to pay rental as set forth herein. Lessee agrees to and does hereby indemnify and hold Lessor harmless of, from and against all claims, costs, expenses, damages and liabilities, including reasonable attorneys' fees and court costs, arising out of, connected with or resulting from the Equipment, including without limitation, its manufacture, delivery, possession, installation, use or operation, and without regard as to whether such claim is based upon warranty, negligence, strict liability or otherwise. Lessee shall and hereby agrees to maintain in force during the term of this Agreement, adequate public liability insurance covering the Equipment and insuring both Lessee and Lessor against any loss, damage, claim, suit, action or liability arising out of the ownership, possession, maintenance, use or operation of the Equipment. In addition, Lessee agrees to keep the Equipment insured against loss or damage from every cause whatsoever, with insurance company or companies satisfactory to Lessor, such policies to contain loss payable clauses in favor of the Lessor as its interest may appear, in an amount not less than the full insurable value of said Equipment, said insurance policy or policies to contain not less than ten (10) day notice of cancellation to the Lessor. Lessee shall provide Lessor with satisfactory evidence of insurance coverage as provided herein. In the event of any loss, damage, injury or accident involving the Equipment, Lessee shall promptly provide Lessor with written notice thereof and make available to Lessor all information and documentation relating thereto. Lessee hereby appoints Lessor as its attorney-in-fact to make claim for and to receive payments of and to execute and endorse all documents, checks or drafts for loss or damage or return premiums under any insurance policy issued. All proceeds of such insurance, whether resulting from loss, damage, return premium or otherwise shall be applied toward the replacement or repair of the equipment, or, at the option of Lessor, to the payment of all obligations of Lessee hereunder for the remainder of the Base Term.~~

6. **USE OF EQUIPMENT; REPAIR AND MAINTENANCE:** Lessee agrees to use, operate and maintain the equipment in accordance with all laws, and not to assign or sublet the same; to pay all licensing or registration fees for the equipment and to keep the same free of levies, liens and encumbrances; to file all personal property tax returns where permitted by applicable law, regulation, rule or order; to pay all taxes, assessments, fees and penalties which may be levied or assessed on or in respect to the equipment or use or any interest therein, or rental payments thereon, including but not limited to, all federal, state and local taxes, however designated, levied or assessed upon the Lessee and Lessor or either of them or said Equipment, or upon the use or operation thereof; to permit Lessor to inspect the equipment at any time; and to keep it in first class condition and repair at Lessee's expense and house the same in suitable shelter; not to sell or otherwise dispose of his interest therein or in any equipment or accessories attached thereto, and not to change the permanent location of said Equipment unless prior written notice to that effect is first received by Lessor.

7. **ASSIGNMENT:** Lessor may assign, pledge or mortgage all of its rights under this Agreement and its assignee may assign the same, all without notice to Lessee. All rights of Lessor hereunder shall be succeeded to by any assignee hereof and said assignee's title to this Agreement, to the rental herein provided for to be paid and in and to the equipment shall be free from all defenses, setoffs, or counterclaims of any kind or character which Lessee may be entitled to assert against Lessor; it being understood and agreed that any assignee of Lessor does not assume any obligations of the Lessor herein named. If Lease is assigned Lessee agrees to pay Assignee rentals and other monies due, or amount equal thereto, irrespective of its terms, termination, breach or any other circumstances which might otherwise relieve Lessee of such payment. Lessee also agrees to hold Equipment for said Assignee to extent of Assignee's rights, subject to Lessee's right hereunder. Neither this Lease nor any interest therein is assignable or transferable by operation of law by the Lessee.

8. **DEFAULT:** Any of the following events or conditions shall constitute an event of default hereunder: (a) Non-payment of rent or any other amount due hereunder for fifteen (15) days after the same becomes due, or default by Lessee in the performance of any other obligation, term or condition of this Agreement or any other Agreement between Lessor and Lessee; (b) The entry of any judgment against Lessee or the issuance of any garnishment, attachment, distraint, execution, tax lien, levy, charge or other writ or process against any property of Lessee; (c) ~~Death or legal incompetency of any individual Lessee, or liquidation, dissolution, consolidation or termination of existence of any Lessee which is a corporation, partnership or other business association or entity;~~ (d) The filing by or against Lessee of any petition under the Bankruptcy Act, or any chapter thereof or any other federal or state statute or rule providing for relief of debtors, arrangement, reorganizations, receiverships or the like; (e) Any assignment for the benefit of creditors, agreement or composition with Lessee's creditors or breach by Lessee of any of the terms of any loan or credit agreement or default thereunder; (f) Any statement, representation or warranty furnished by or on behalf of Lessee proving to have been false, erroneous or misleading in any material respect at the time such facts set forth were made; (g) ~~Any change in the condition of Lessee's affairs or business operation which would, in the sole opinion of Lessor, impair Lessor's security or increase the risk of full payment hereunder. If Lessee's obligations hereunder are guaranteed by any individual or entity, reference in this paragraph to "Lessee" shall also be deemed to include separate reference to each such Guarantor, as if the same were expressly set forth in this Agreement.~~ *and same is not discharged within 60 days;

9. **REMEDIES:** Upon the happening of any event of default hereunder, Lessor may, at its sole election and without demand or notice of any kind, (a) Declare all obligations of Lessee under this Agreement to be due and payable, as liquidated damages and not as a penalty, and sue for and recover from Lessee all arrears of rent and the balance of all rentals provided for herein, or in any renewal hereof, plus all other sums which may be payable hereunder, and court costs and attorneys' fees of 20% of the unpaid amounts (or such other maximum amount as may be permitted by law); (b) Take possession of any or all Equipment, wherever located, without court order or other process of law, LESSEE HEREBY WAIVING ALL RIGHTS (CONSTITUTIONAL OR OTHERWISE) TO EITHER NOTICE OF COURT PROCEEDING OR HEARING PRIOR TO SUCH TAKING and also hereby waiving all damages caused by such taking, and Lessee agrees that such taking shall not constitute termination of this Lease or Lessee's obligation hereunder as to any and all Equipment unless Lessor expressly notifies Lessee thereof in writing; (c) Terminate this Lease as to any or all Equipment or terminate any other lease or agreement between Lessor and Lessee; and (d) Pursue any other remedy provided by applicable law and the Uniform Commercial Code, whether at law or in equity. In the event Equipment is repossessed by or surrendered to Lessor, Lessor may, in its sole discretion and without obligation so to do, re-lease the Equipment, or may use the Equipment or sell or otherwise dispose of the Equipment at public or private sale, with or without notice, for cash or credit, and Lessor may become a purchaser at any such sale. Lessor, in addition to the foregoing remedies, is entitled to recover on demand (i) all unpaid rent accruing prior to repossession or surrender and (ii) as liquidated damages and not as a penalty, an amount equal to the difference between: The aggregate rent reserved for the unexpired term of the Lease, less the "Unexpired Rental Value". The Unexpired Rental Value shall mean present value of the fair market rental value of the Equipment for the unexpired term of this Lease, or, if the Equipment is sold or re-leased, the proceeds of sale or the then present value of the rental payments to be received by Lessor for the unexpired term of this Lease, less in each case all of the Lessor's expenses of taking, storing, preparing for sale or re-lease, repair, attorneys' fees, costs or other expenses incurred in connection with the repossession and sale or re-lease of the Equipment. If the Unexpired Rental Value of the Equipment exceeds Lessee's obligations hereunder as of the time of any such repossession, Lessor shall be entitled to the excess. All of the rights and remedies given to Lessor herein or by law are cumulative and not alternative, may be exercised concurrently or separately, and Lessor's bringing of any action for Lessee's obligations hereunder or Lessor's exercise of any other remedy provided herein, shall not be considered as an election of remedies or a waiver of Lessor's right to possession of the Equipment.

10. **MISCELLANEOUS:** This instrument constitutes the entire Agreement of Lease between the parties hereto. No representation or statement made by any representative of Lessor or supplier not stated herein shall be binding. Whenever the word "Lessor" is used herein, it shall include all assignees of Lessor. If there be more than one Lessee named herein, their liability shall be joint and several. The omission by Lessor at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants or provisions hereof by Lessee, at any time designated, shall not be a waiver of any such default or right to which Lessor is entitled, nor shall it in any way affect the right of Lessor to enforce such provisions thereafter. This Agreement of Lease has been delivered and accepted by Lessor in Maryland and the rights and obligations of the parties hereunder and the interpretation of this Agreement shall be in accordance with the laws of the State of Maryland.

11. **RECORDING; AGREEMENT OF LEASE:** At request of Lessor, Lessee will join in executing one or more financing statements pursuant to the Uniform Commercial Code. Lessee authorizes Lessor and its assigns to file financing statements signed only by Lessor or such assigns in all places where necessary to perfect Lessor's interest in all jurisdictions where such authorization is permitted by law. Notwithstanding the filing of a financing statement, this Agreement is and is intended to be a lease and Lessee does not acquire hereby any greater right, title or interest in or to the Equipment. The relationship between the parties hereto is that of Lessor and Lessee, and Lessee shall not during the term hereof for any purpose whatsoever be or become the agent of Lessor nor shall Lessor be responsible for the acts or omissions of Lessee or its agents.

(SEE ATTACHED ADDENDA FOR ADDITIONAL TERMS AND CONDITIONS)

ADDENDA TO LEASE CONTRACT NO. 121-8-4

12. **INSURANCE; LOSS AND DAMAGE; INDEMNITIES:** Lessee assumes the entire risk of loss or casualty from hazards, and no such loss shall relieve Lessee of its obligations hereunder, including the obligation to pay rental as set forth herein. Lessee agrees to and does hereby indemnify and hold Lessor harmless of, from and against all claims, costs, expenses, damages and liabilities, including reasonable attorneys' fees and court costs, arising out of, connected with or resulting from the Equipment, including without limitation, its manufacture, delivery, possession, installation, use or operation, and without regard as to whether such claim is based upon warranty, negligence, strict liability or otherwise. Lessee shall and hereby agrees to maintain in force during the term of this Agreement, adequate public liability insurance covering the Equipment and insuring both Lessee and Lessor against any loss, damage, claim, suit, action or liability arising out of the ownership, possession, maintenance, use or operation of the Equipment. In the event of any loss, damage, injury or accident involving the Equipment, Lessee shall promptly provide Lessor with written notice thereof and make available to Lessor all information and documentation relating thereto. Lessee hereby appoints Lessor as its attorney-in-fact to make claim for and to receive payments of and to execute and endorse all documents, checks or drafts for loss or damage or return premiums under any insurance policy issued. All proceeds of such insurance, whether resulting from loss, damage, return premium or otherwise shall be applied toward the replacement or repair of the Equipment, or, at the option of Lessor, to the payment of all rentals unpaid with respect to such Equipment, accrued interest, plus 5% of the original value of the damaged Equipment.
13. **REMEDIES:** Upon the happening of any event of default hereunder, Lessor may, at its sole election and without demand or notice of any kind, (a) Declare all obligations of Lessee under this Agreement to be due and payable, and sue for and recover from Lessee all arrears of rent and the balance of all rentals provided for herein, or in any renewal hereof, plus all other sums which may be payable hereunder, and court costs and reasonable attorneys' fees; (b) Take possession of any or all Equipment, wherever located, without court order or other process of law, LESSEE HEREBY WAIVING ALL RIGHTS (CONSTITUTIONAL OR OTHERWISE) TO EITHER NOTICE OF COURT PROCEEDING OR HEARING PRIOR TO SUCH TAKING and also hereby waiving all damages caused by such taking, and Lessee agrees that such taking shall not constitute termination of this Lease or Lessee's obligation hereunder as to any and all equipment unless Lessor expressly notifies Lessee thereof in writing; (c) Terminate this Lease as to any or all Equipment or terminate any other lease or agreement between Lessor and Lessee; and (d) Pursue any other remedy provided by applicable law and the Uniform Commercial Code, whether at law or in equity. In the event Equipment is repossessed by or surrendered to Lessor, Lessor may, in its sole discretion and without obligation so to do, re-lease the Equipment, or may use the Equipment or sell or otherwise dispose of the Equipment at public or private sale, with or without notice, for cash or credit, and Lessor may become a purchaser at any such sale. Lessor, in addition to the foregoing remedies, is entitled to

recover on demand (i) all unpaid rent accruing prior to repossession or surrender and (ii), an amount equal to the difference between: The aggregate rent reserved for the unexpired term of the Lease, less the "Unexpired Rental Value". The Unexpired Rental Value shall mean present value of the fair market rental value of the Equipment for the unexpired term of this Lease, or, if the Equipment is sold or re-leased, the proceeds of sale or the then present value of the rental payments to be received by Lessor for the unexpired term of this Lease, less in each case all of the Lessor's expenses of taking, storing, preparing for sale or re-lease, repair, attorneys' fees, costs or other expenses incurred in connection with the repossession and sale or re-lease of the Equipment. All of the rights and remedies given to Lessor herein or by law are cumulative and not alternative, may be exercised concurrently or separately, and Lessor's bringing of any action for Lessee's obligations hereunder or Lessor's exercise of any other remedy provided herein, shall not be considered as an election of remedies or a waiver of Lessor's right to possession of the Equipment.

STATE OF NEW YORK)
SS.:
COUNTY OF NEW YORK)

On JUNE 6, 1975, before me came ROBERT GROSSMAN, to me known, who being by me duly sworn, did depose and say that he resides at 90 OCEAN AVE MASSAPEQUA, N.Y. that he is the VICE-PRESIDENT of the Maryland and Pennsylvania Railroad Company, the Corporation described in and which executed the foregoing instrument; that he knows the seal of said Corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Corporation; and that he signed his name thereto by like order.

Joann Victoria Gebauer
Notary Public

JOANN VICTORIA GEBAUER
Notary Public, State of New York
No. 03-1391240
Qualified in Bronx County
Certificate filed in New York County
Commission Expires March 30, 1977

STATE OF MARYLAND)
SS.:
COUNTY OF BALTIMORE)

On June 1, 1975, before me came Elise J. Nurd to me known, who being by me duly sworn, did depose and say that he resides at 695 Americana Drive, Annapolis, Md. that he is the President of the Union-Tidewater Financial Company, Inc., the Corporation described in and which executed the foregoing instrument; that he knows the seal of said Corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Corporation; and that he signed his name thereto by like order.

Patricia A. Pellegrini
Notary Public

My commission expires July 1, 1978.