

REGISTRATION NO. 8706 Filed & Recorded
FEB 22 1977 - 2 21 PM
INTERSTATE COMMERCE COMMISSION

CHATTEL MORTGAGE AND SECURITY AGREEMENT

KNOW ALL MEN BY THESE PRESENTS that EMONS LEASING CO., INC. ("Leasing"), in consideration of One (\$1.00) Dollar to it paid by FARMERS FIRST BANK ("Bank"), receipt of which is hereby acknowledged, does hereby bargain, sell and convey to Bank, its successors and assigns, and does hereby grant to Bank a security interest in and lien upon (under the Uniform Commercial Code, as amended, or other appropriate law) all those certain railroad boxcars used or intended to be used in interstate commerce listed in Exhibit "A" attached hereto.

TO HAVE AND TO HOLD the said railroad boxcars so bargained, sold and conveyed, or intended to be, unto the said Bank, its successors and assigns.

The condition of this Chattel Mortgage and Security Agreement is that, if Leasing shall pay or cause to be paid to Bank the aforementioned sum and such other sums as Leasing shall have borrowed from Bank under that certain Revolving and Term Loan Agreement between Leasing and Bank dated as of the 13th day of October, 1976, which is incorporated herein by reference as though fully set forth, and fully and faithfully perform all of Leasing's obligations herein and therein contained, then this Chattel Mortgage and Security Agreement shall be void; otherwise it shall remain in full force and effect.

Leasing warrants to Bank that on the date hereof it is the absolute owner of the said railroad boxcars, free and clear of all liens, encumbrances and adverse claims, other than the interest herein bargained, sold and granted to Bank.

Unless and until Leasing shall fail or refuse to perform, or be in breach of, any of the foregoing covenants and agreements or an event of default shall occur under the said Revolving and Term Loan Agreement, Leasing hereby lets and demises from Bank the right of possession and use of the said railroad boxcars for the purpose of selling said railroad boxcars to the Maryland and Pennsylvania Railroad Company.

Leasing hereby covenants to keep, or cause to be kept, the said railroad boxcars in good condition and repair.

Should Leasing fail or refuse to perform any of the foregoing covenants and agreements, or upon the happening of an event of default as defined in the aforesaid Loan Agreement, Bank may exercise all its rights and remedies set forth in the Loan Agreement, including the right to take possession of the railroad boxcars hereby mortgaged, and may exercise any of its rights under the Uniform Commercial Code, as amended, and other applicable laws.

This Chattel Mortgage and Security Agreement shall be binding upon and inure to the benefit of the successors

and assigns of Leasing and Bank.

EXECUTED this 17th day of February, 1977.

EMONS LEASING CO., INC.

BY: *Walter G. ...*

Attest:

Melvin S. Slade

MELVIN S. SLADE,
Assistant Secretary

COMMONWEALTH OF PENNSYLVANIA)

SS.:

COUNTY OF *York*)

BEFORE ME, a Notary Public in and for the Commonwealth and County aforesaid, personally appeared ROBERT GROSSMAN, to me known to be the individual who executed the foregoing Chattel Mortgage and Security Agreement on behalf of EMONS LEASING CO., INC., and acknowledged to me that he is the *President* of EMONS LEASING CO., INC., and that he executed the said Chattel Mortgage and Security Agreement on its behalf as the act and deed of the Corporation, for the uses and purposes therein mentioned.

WITNESS, my hand and official seal this 17 day of February, 1977.

George H. Woodman
Notary Public

My Commission Expires:

MY COMMISSION EXPIRES
MARCH 31, 1981
YORK COUNTY, PENN.

EXHIBIT "A"

57 - Used Fifty-five ton, 40'6" Wood lined, General Purpose

Boxcars, Class "XM" or "XF" with the following markings:

MPA 5525 through 5546

MPA 5600 through 5631