Emons Industries, Inc.

July 25, 1988

RECORDATION NO. 5752 Filed 1425

JUL 27 1988-3 25 PM

INTERSTATE COMMERCE COMMISSION

Ms. Mildred Lee
Interstate Commerce Commission
12th and Constitution Ave., N.W.
Room 2303
Washington, D.C. 20423

RE: Agency Agreement between Bamerilease Capital Corporation and the Maryland and Pennsylvania Railroad Company for 3 Boxcars

Dear Ms. Lee:

I have enclosed an original and one copy of the document described below to be recorded pursuant to section 11303 of title 49 of the U.S. Code.

This document is an Agency Agreement dated as of December 1, 1987.

The names and addresses of the parties to the document are as follows:

Lessor/Owner - *BAMERILEASE CAPITAL CORPORATION*
2 Embarcadero Center
Department 5820
San Francisco, CA 94111

Lessee/Agent - *MARYLAND and PENNSYLVANIA RAILROAD COMPANY*
1 West Market Street
York, Pennsylvania 17401

A description of the equipment covered by the document follows:

Three (3) 70-Ton, 50-Foot Boxcars now bearing reporting marks CPAA (See Exhibit A to Agency Agreement for individual listing).

Also enclosed is a check in the amount of $13.00 to cover the costs of filing. I understand that the original document will be returned to me with the recordation information noted thereon within about a week.

Please call me should you have any questions. Thank you for your assistance in this matter.

Very truly yours,

Florence M. Yatchisin

Florence M. Yatchisin
Manager, Leasing Administration
(717) 771-1722

Enclosures

RECORDATION NO. 15759 FILED
JUL 27 1988-3 05 PM
INTERSTATE COMMERCE COMMISSION

AGENCY AGREEMENT

AGREEMENT entered into as of the first day of December, by and between BAMERILEASE CAPITAL CORPORATION, a California corporation with an office at 2 Embarcadero Center, Department 5820, San Francisco, California 94111, (hereinafter referred to as "Owner") and THE MARYLAND AND PENNSYLVANIA RAILROAD COMPANY, a Maryland and Pennsylvania corporation whose address is 1 West Market Street, York, Pennsylvania 17401 (hereinafter sometimes referred to as the "M&P").

W I T N E S S E T H:

Pursuant to a Lease Agreement (the "CP Lease") dated as of December 1, 1987, between Canadian Pacific Limited ("CP") and the M&P, the M&P has agreed to lease to CP six hundred twenty-two (622) boxcars for a term which commences on the date of CP's acceptance of such boxcars and will terminate on December 31, 1997, subject to CP's right to extend such term for an additional seven (7) years.

The Owner owns or holds under lease three (3) 50 foot 70 ton boxcars (the "Cars") with identifying marks as listed on Exhibit A hereto, as such Exhibit may from time to time be amended (hereinafter referred to as the "Cars"), and desires to grant to the M&P, in its capacity as agent hereunder and on the terms and conditions set forth herein, the right to enter into a lease with CP, in the name of the M&P as agent hereunder, granting CP a leasehold interest in the Cars.

NOW, THEREFORE, in consideration of the premises, the parties hereto agree:

1. Appointment of Agent. Owner hereby (i) appoints the M&P as its agent; (ii) ratifies in all respects the execution by the M&P of the CP Lease and grants to the M&P, in its capacity as agent, the authority to subject the Cars to such Lease; (iii) acknowledges and consents to the leasehold interest in the Cars granted to CP in the CP Lease and (iv) agrees that it will not interfere with the terms of the CP Lease. The M&P accepts the appointment as agent hereunder. In its capacity as agent hereunder, the M&P is sometimes hereinafter referred to as the "Agent". The Agent shall have the authority to deal with CP in all matters relating to the CP Lease, and to deal with other third parties in all matters relating to the Cars, in its own name, without disclosing its status as Agent or the identity of Owner as principal; provided, however, that Agent shall have the right in its discretion to disclose its status, as Agent and the identity of the Owner.

2. Payments. Agent hereby covenants and agrees to pay, or cause to be paid to the Owner and its successors and assigns, within ten (10) business days after receipt by Agent of any Gross Rental Revenues (as such term is

defined below), an amount equal to (i) the Owner's Gross Allocated Portion (as such term is defined below) thereof minus (ii) the aggregate cost of any expenses relating to the Cars paid and payable by Agent pursuant to this Agreement or the CP Lease. "Gross Rental Revenues" shall constitute all rentals paid by CP under the CP Lease, but shall not include any amounts received by Agent by way of settlement for damage to or destruction of any Car (which amounts shall be paid over to Owner without reduction in accordance with Section 6 below). "Gross Allocated Portion" when used herein shall have the meaning ascribed to it in the Intercreditor Agreement dated as of the date described on Exhibit B attached hereto.

3. Term of this Agreement. The term of this Agreement as to each Car shall begin as of the date hereof and shall terminate on the date of any termination of the CP Lease with respect to such Car.

4. Maintenance, Taxes and Insurance:

(a) Except as otherwise provided herein, Owner will pay all costs, expenses, fees and charges incurred in connection with the use and operation of each Car during its lease term and any extension thereof, including but not limited to taxes, repairs, maintenance and servicing, unless such expense (i) was occasioned by the negligence of Agent; or (ii) was previously paid by CP in accordance with the CP Lease.

(b) Owner (or the Manager referred to in Section 19 on behalf of Owner) shall be responsible for the filing and payment of all taxes, assessments and other governmental charges of whatsoever kind or character which may be accrued, levied, assessed or imposed during the lease term and which relate to the operation and use of any Car.

5. Identification Marks. The Owner will permit each Car to continue to be numbered with the names or initials or other insignia customarily used by CP on railroad equipment used by it of the same or similar type for convenience of identification of CP's rights to use the Cars as permitted under the CP Lease.

6. Risk of Loss; Waiver and Indemnity; Insurance.

(a) In the event that any Car shall be or become worn out, lost, stolen, destroyed, or irreparably damaged, from any cause whatsoever, or taken or requisitioned by condemnation or otherwise (any such occurrence being hereinafter called a "Casualty Occurrence") during the term of this Agreement, the Agent shall promptly notify Owner with respect thereto. Agent shall pay to Owner, promptly after receipt by Agent, an amount equal to any amounts received by Agent by way of settlement for damage to or destruction of any Car. Effective as of the date of any Casualty Occurrence, this Agreement shall terminate with respect to any Car affected by such Casualty

Occurrence. Owner shall not be required to replace any Car which is the subject of a Casualty Occurrence.

7. Return of Cars. On termination of this Agreement, Agent will return possession of the Cars to the Owner at the location at which, and in the condition in which, CP returns the Cars to Agent in accordance with Section 11 of the CP Lease.

8. Assignment - Use and Possession. Except as expressly provided herein, Agent will not assign, transfer, encumber or otherwise dispose of its rights under this Agreement, or lease the Cars (other than pursuant to the CP Lease) or place any of the Cars in assigned service without the consent of the Owner in writing first obtained. Agent will not permit any encumbrances or liens, based upon any action or liability of Agent, to be entered or levied upon any of the Cars.

9. Defaults; Remedies. If during the Term of this Agreement one or more of the following events ("Events of Default") shall occur:

(a) Default shall be made in the payment when due of any amounts herein provided and such default shall continue for a period of three (3) business days; or

(b) Agent shall attempt to remove, sell, transfer, encumber or lease (except as expressly permitted under this Agreement) any Car; or

(c) A proceeding shall have been instituted in a court having jurisdiction in the premises, seeking a decree or order (i) for relief in respect of Agent in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect or (ii) for the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of Agent or for any substantial part of its property, or (iii) for the winding up or liquidation of the affairs of Agent; and in any such case either (I) any such proceeding shall remain undismissed or unstayed and in effect for a period of 60 consecutive days or (II) such court shall enter a decree or order granting the relief sought in such proceeding; or

(d) Agent shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of Agent or for any substantial part of its property or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action in furtherance of any of the foregoing; or

(e) Agent shall have knowledge that there has occurred and is continuing any condition, event, act or omission which it reasonably believes constitutes, or with notice or lapse of time would constitute, an Event of Default under the CP Lease and shall fail within five (5) business days of learning thereof to notify Owner of such condition, event, act or omission;

then, in any such case, Owner at its option may:

A. Proceed by appropriate court action or actions either at law or in equity to enforce performance by Agent of the applicable duties and obligations of Agent under this Agreement; or

B. By notice in writing to Agent, terminate this Agreement, whereupon all right of Agent hereunder shall absolutely cease and terminate as though this Agreement had never been made.

10. Indemnities. Owner agrees to indemnify Agent and hold it harmless from any loss, expense or liability which Agent may suffer or incur from any charge, claim, proceedings, suit or other event which in any manner or from any cause arises in connection with the use, possession, or operation of the Cars while subject to this Agreement, excepting only any such loss, expense or liability which arises solely from Agent's gross negligence or willful misconduct or which arises as a result of the operation of the Cars on Agent's lines and Agent shall indemnify Owner for such loss, expense or liability. The indemnities and assumptions of liability herein contained shall survive the termination of this Lease. Each party shall, upon learning of same, give the other prompt notice of any claim or liability hereby indemnified against. Agent independently agrees that it shall not take any steps that would create any claim, lien, security interest or encumbrance with respect to any Car (other than the leasehold interest created by the CP Lease) and, should any arise solely from the action of Agent, it shall promptly discharge the same, nor will the Agent, without the prior consent of Owner, sell, assign, transfer or sublet the Cars except pursuant to the CP Lease.

11. Assignment of Revenues.

Pursuant to the terms of a Security Agreement in substantially the form attached hereto as Exhibit C, the Agent has granted the Disbursing Agent (as such term is defined in the Intercreditor Agreement) and to the extent provided for therein, a security interest in all of the Agent's right, title, and interest, if any, in and to the CP Lease and in and to rent to become due and payable from time to time under the CP Lease, as collateral security for the payment and performance of all obligations and duties of Agent to Owner arising under or by virtue of this Agreement.

12. Amendment of this Agreement. Agent will not take any action to amend, modify or cancel the CP Lease in any respect without the prior written consent of Owner.

13. Delay or Partial Exercise. No failure or delay on the part of Owner in exercising any right, power or privilege hereunder shall operate as a waiver thereof or of any other right, power or privilege of Owner hereunder, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege, provided, however, that the Agent shall not be liable to Owner for any consequential or incidental damages suffered by Owner as a result of any such delay on the part of Owner. The rights and remedies of Owner hereunder are cumulative and not exclusive of any rights or remedies which it may otherwise have.

14. Elections, Notices.

(a) Agent shall not make any election under the CP Lease or give CP notice of substitution of a Car, earlier termination or an event of default without obtaining Owner's prior consent thereto. Any notice required hereunder, if given in writing, shall be sent by registered or certified mail, postage prepaid, return receipt requested, or by courier service, to that address set forth beneath the appropriate party's signature. Either party may change such address by written notice to the other.

(b) Within three (3) business days of its receipt of written instruction to do so from Owner, the Agent shall take appropriate action (i) to exercise any option, make any election, or grant any consent which the lessor has the power to exercise, make or grant under the CP Lease, or (ii) to enforce any rights possessed by the lessor under the CP Lease.

(c) In the event that any proceeding is instituted by the Agent to enforce the lessor's rights under the CP Lease, such proceedings shall be conducted at Owner's expense by counsel satisfactory to Owner and in accordance in all respects with the reasonable instructions of Owner.

(d) Agent shall have no obligation to institute or maintain any proceeding to enforce its rights under the CP Lease, if the Agent has previously assigned to Owner, by means of a valid, binding, and enforceable assignment, all the lessor's rights to institute and maintain such proceeding.

15. Arbitration. Should any arbitration arise under the CP Lease, the Agent shall promptly advise Owner thereof and shall follow any reasonable instructions received from Owner in regard thereto. Agent agrees it shall undertake no settlement or appoint any arbiter thereunder without Owner's prior consent. Agent shall not be liable for any damage or liability sustained or incurred by Owner relating to its failure to promptly appoint

an arbiter or otherwise comply with or instruct the Agent to so comply with the terms of the arbitration provisions contained in the CP Lease.

16. Compliance with Laws and Regulations. This Agreement is subject to all federal, state and other laws, rules, regulations, and ordinances which may now or hereafter affect, change or modify the terms or conditions hereof or render unlawful the performance of any of its provisions. Owner shall comply with all governmental law, regulations and requirements and with the Code of Rules of the Association of American Railroads with respect to the use, maintenance and operation of such Cars subject to this Agreement, and will file and record the same with the Interstate Commerce Commission in accordance with Section 11303 of the Interstate Commerce Act.

17. Prior Understandings. Prior understandings and agreements between the parties with respect to the Cars are merged herein, and all rights of the parties in respect of such Cars shall be governed by this Agreement.

18. Notices. Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when deposited in the United States Certified mails, first class, postage prepaid, or sent by courier service, addressed to the address set forth with respect to such party in the first paragraph of this Agreement or addressed to either party at such other address as such party shall hereafter furnish to the other party in writing.

19. Assignments by Lessor; Payments to Manager. Owner shall have the right to assign this Agreement, and all its interests herein, to any entity without the prior consent of Agent. Owner has appointed Emons Industries, Inc. (the "Manager") as its Manager with respect to the Cars. Payments due Owner hereunder shall be made to Manager; provided, however, that the Agent shall make payments hereunder directly to Owner (i) upon the Agent's receipt of written notice from Owner that (a) an Event of Default by Manager has occurred and is continuing under the Management Agreement dated as of December 31, 1986, between Owner and Manager (the "Management Agreement") or (b) the Management Agreement has for any reason terminated with respect to the Cars; or (ii) automatically, without notice or other action by Owner, upon the Agent's receipt of notice of any kind of any filing after the date hereof of a petition under any bankruptcy, insolvency or moratorium law by or against Manager. The parties hereto acknowledge that, for purposes of the Management Agreement, this Agreement shall constitute an Affiliate Usage Agreement (as such term is defined in the Management Agreement).

20. Severability, Effect and Modifications of this Agreement. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall be, as to such

jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction.

21. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the parties have duly executed this Lease the day and year first above written.

ATTEST:

BY: _____

TITLE: AVP

DATE: 05-18-88

BAMERILEASE CAPITAL CORPORATION

BY: _____

TITLE: A.V.P.

DATE: 5/16/88

ATTEST:

BY: _____

TITLE: Secretary

DATE: 6/30/88

THE MARYLAND AND PENNSYLVANIA RAILROAD COMPANY

BY: _____

TITLE: VICE PRESIDENT

DATE: JUNE 30, 1988

STATE OF California)
) ss.:
COUNTY OF San Francisco)

On the 16 day of May, 1988 before me personally appeared Theodore D. Lowry, to me personally known, who being by me duly sworn, says that he is the _____ of Bamerilease Capital Corporation, Owner in the foregoing Agency Agreement, that one of the seals 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.

OFFICIAL SEAL
MARGE DYBDAHL
NOTARY PUBLIC - CALIFORNIA
SAN FRANCISCO COUNTY
My comm. expires MAY 20, 1988

Marge Dybdahl
Notary Public

COMMONWEALTH OF PENNSYLVANIA)
) ss.:
COUNTY OF YORK)

On the 30th day of June, 1988 before me personally appeared Richard E. Meyers, to me personally known, who being by me duly sworn, says that he is the Vice President of the Maryland and Pennsylvania Railroad Company, Agent in the foregoing Agency Agreement, that one of the seals 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.

Annmaree Wlezek
Notary Public

ANNMAREE WLEZEK, Notary Public
York, York County, PA
My Commission Expires April 30, 1990

EXHIBIT A

LISTING OF CARS AND DESCRIPTION

REPORTING MARKS	NUMBER
CPAA	204356
CPAA	204466
CPAA	204750

EXHIBIT B

INTERCREDITOR AGREEMENT

Agreement entered into as of the 1st day of December, 1987, among WILMINGTON TRUST COMPANY, a Delaware state banking association with an office at Rodney Square North, Wilmington, Delaware 19890 ("WTC"), as Disbursing Agent hereunder ("Disbursing Agent"), CHRYSLER RAIL TRANSPORTATION CORPORATION, a Delaware corporation with an office at 3800 North Wilke Road, Suite 300, Arlington Heights, Illinois 60004, ("Chrysler"), UTC EQUIPMENT CORPORATION, a Maryland corporation with an office at 7 St. Paul Street, Baltimore, Maryland 21202 ("UTC"), SIGNET LEASING AND FINANCIAL CORPORATION, a MARYLAND corporation, with an office at 7 St. Paul Street, Baltimore, Maryland 21202 ("Signet"), BAMERILEASE, INC., a California corporation with an office at Two Embarcadero Center, Dept. 5820, San Francisco, California 94111 ("BI"), BAMERILEASE CAPITAL CORPORATION, a California corporation with an office at Two Embarcadero Center, Dept. 5820, San Francisco, California 94111 ("BCC"), THE LIFE INSURANCE COMPANY OF VIRGINIA, a Virginia corporation with an office at 10800 Midlothian Tpk., Suite 217, Richmond, Virginia 23235 ("Life of Virginia"), MANUFACTURERS HANOVER LEASING CORPORATION, a New York corporation with an office at 270 Park Avenue, New York, New York, 10017 ("MHL"), and EMCOB, INC., a Delaware corporation with an office at 1 West Market Street, York, Pennsylvania 17401 ("EMCOB" and, together with Chrysler, UTC, Signet, BI, BCC, Life of Virginia, and MHL, the "Car Owners"), THE MARYLAND AND PENNSYLVANIA RAILROAD COMPANY, a Maryland and Pennsylvania corporation with an office at One West Market Street, York, Pennsylvania 17401 (the "M&P") and EMONS INDUSTRIES, INC., a New York corporation with an office at One West Market Street, York, Pennsylvania 17401 ("Emons Industries") and EMONS MARKETING SERVICES, INC., a Delaware corporation with an office at 1 West Market Street, York, Pennsylvania 17401 ("Emons Marketing").

Pursuant to a Lease Agreement (the "CP Lease") dated as of the date hereof, between the M&P, as lessor, and Canadian Pacific Limited ("CP"), as lessee, the M&P currently leases to CP six hundred twenty-two (622) boxcars.

Pursuant to the Lease Agreements dated as of the date hereof described on Schedule A attached hereto, between the several Car Owners referred to on Schedule A and the M&P, as lessee (collectively, the "Master Leases"), the Car Owners referred to on Schedule A have leased to the M&P a total of one hundred eighty-nine (189) boxcars with the understanding that those cars will be subleased pursuant to the CP Lease.

Pursuant to the Agency Agreements between the several Car Owners referred to on Schedule B dated as of the date hereof and

attached hereto, as principals, and the M&P, as agent, (collectively, the "Agency Agreements" and, together with the "Master Leases" the "M&P Car Agreements") the Car Owners referred to on Schedule B attached hereto have granted M&P the right to grant to CP a leasehold interest pursuant to the CP Lease in the four hundred thirty-three (433) boxcars owned by such Car Owners.

Chrysler, UTC, Signet, BI, BCC, Life of Virginia, and MHL have entered into Management Agreements with Emons Industries (collectively, the "Industries Management Agreements"), and Chrysler and EMCOB have entered into Management Agreements with Emons Marketing (the "Marketing and Management Agreements" and together with the Industries Management Agreements, the "Management Agreements"), in each case the Car Owner has instructed the M&P to pay to Emons Industries or Emons Marketing, as the case may be, as Manager, all rent due under the M&P Car Agreements to which such Car Owner is a party, so long as no Event of Default by the Manager has occurred and is continuing thereunder.

Pursuant to a Security Agreement dated as of the date hereof, the M&P has granted to the Disbursing Agent, for the benefit of the Car Owners, a collateral assignment of all right, title and interest of the M&P in and to the CP Lease and the rent due and payable from time to time thereunder as security for the several obligations of the M&P to the Car Owners under the various M&P Car Agreements.

The Car Owners wish, on the terms and conditions set forth herein, to provide, among other things, for the manner of exercise of the rights which they will jointly hold in the CP Lease.

NOW, THEREFORE, the parties hereto agree:

(1) Definitions. In addition to the words and terms defined elsewhere in this Agreement, the following terms shall have the following meanings when used herein:

"Trust Funds" shall mean any funds received by the Disbursing Agent, at any time or from time to time, pursuant to Section 2 of this Agreement.

"Net Allocated Portion" as to each Car Owner shall mean the Gross Allocated Portion of any Trust Funds which may be from time to time held by the Disbursing Agent less in the case of each Car Owner an amount equal to the due and payable (but unpaid) Total Expenses, if any, under the Management Agreement to which such Car Owner is a party.

"Mileage Rate" and "Hourly Rate" shall mean, respectively, the mileage and hourly car hire rates

then in effect and applicable to the boxcars subject to the CP Lease, (as published in Appendix R to Circular OT-10 of the Official Railway Equipment Register, as of December 1, 1987).

"Mileage Rate Pro-Ration Factor" with respect to any Car Owner shall mean a fraction:

(i) the numerator of which shall be the product derived by multiplying the number of boxcars which such Car Owner owns or holds under lease and which are then subject to the CP Lease ("such Car Owner's Boxcars") by the average Mileage Rate then applicable to such Car Owner's Boxcars, and

(ii) the denominator of which shall be the product derived by multiplying the total number of boxcars then subject to the CP Lease by the average Mileage Rate of all boxcars then subject to the CP Lease.

"Hourly Rate Pro-Ration Factor" with respect to any Car Owner shall mean a fraction:

(i) the numerator of which shall be the product derived by multiplying the number of such Car Owner's Boxcars by the average Hourly Rate of such Car Owner's Boxcars; and

(ii) the denominator of which shall be the product derived by multiplying the total number of boxcars then subject to the CP Lease by the average Hourly Rate of all boxcars then subject to the CP Lease.

The "Pro-Rated Hourly Car Hire Amount" payable at any time to any Car Owner shall be determined by multiplying:

(i) the total amount of Trust Funds which are then held by the Disbursing Agent plus the Aggregate Domestic Allocation Amount by (ii) the Hourly Rate Pro-Ration Factor then applicable to such Car Owner by (iii) seventy-four (74%) percent.

The "Pro-Rated Mileage Amount" payable at any time to any Car Owner shall be determined by multiplying:

(i) the total amount of Trust Funds which are then held by the Disbursing Agent plus the Aggregate Domestic Allocation Amount by (ii) the Mileage Pro-ration Factor then applicable to such Car Owner by (iii) twenty-six (26%) percent.

The term "Gross Allocated Portion" as to each Car Owner shall mean a portion of any Trust Funds held by the Disbursing Agent which represent rental or mileage fees equal to the sum of the Pro-Rated Mileage Amount thereof and the Pro-Rated Hourly Car Hire Amount minus the Domestic Allocation Amount applicable to such Car Owner.

The term "Secured Obligation", when used with reference to any Car Owner, shall mean any obligation of the M&P to pay money to such Car Owner pursuant to the M&P Car Agreement to which such Car Owner is a party.

The term "Total Expenses" shall have the meaning ascribed to it in the Management Agreements.

The "Domestic Allocation Amount" with respect to each Car Owner shall be equal to the sum of (i) $36.50 (U.S.) multiplied by the number of Plate B boxcars (see Schedule C) of such Car Owner that are then subject to the CP Lease and (ii) $66.00 (U.S.) multiplied by the number of Plate C boxcars (see Schedule D) of such owner that are then subject to the CP Lease. After the thirty-sixth monthly payment received from CP, under the CP Lease, the Domestic Allocation Amount shall be equal to zero.

The "Aggregate Domestic Allocation Amount" shall be equal to the total Domestic Allocation Amount for all Car Owners subject to this Agreement.

(2) Appointment of Disbursing Agent and Payment of Trust Funds. (a) The Car Owners appoint WTC to serve as disbursing agent hereunder, and WTC accepts such appointment.

(b) Upon the occurrence and during the continuance of any Event of Default (as defined in each of the M&P Car Agreements), unless such Event of Default shall have been waived by the Car Owner that is a party to the M&P Car Agreement under which such Event of Default has occurred, such Car Owner shall have the right to direct CP to pay to the Disbursing Agent all rents payable to the M&P pursuant to the CP Lease.

(3) Disbursement of Trust Funds. (a) Promptly after receiving any Trust Funds which represent rental or mileage fees, the Disbursing Agent shall distribute such Trust Funds by disbursing

(i) to each Car Owner a portion of such Trust Funds equal to such Car Owner's Net Allocated Portion; and

(ii) to Emons Industries or Emons Marketing, as the case may be, as manager under the respective Management Agreements, a portion of such Trust Funds

equal to the due and payable (but unpaid) Total Expenses under the Management Agreements.

(b) Promptly after receiving any Trust Funds which represent a settlement payment with respect to a lost, stolen or destroyed car pursuant to Interchange Rules of the Association of American Railroads or any other payment with respect to a lost, stolen or destroyed car, the Disbursing Agent shall pay such amount to the Car Owner which owns such destroyed boxcar less, the amount, if any, payable to Emons Industries or Emons Marketing, as the case may be, pursuant to the Management Agreement to which such Car Owner is a party.

(c) All funds paid by the Disbursing Agent to any Car Owner shall be applied to the obligations of the M&P to such Car Owner or shall be applied as otherwise provided by law.

(4) Reliance. The Disbursing Agent may rely upon any written notice, instruction or other advice or communication received by it from any Car Owner pursuant to this Agreement and need not question the validity of such notice, instruction or other advice or communication or the qualifications of the party giving the same, and the Disbursing Agent shall not have any liability to the parties hereto for any action taken or omitted in good faith reliance on any such written notice, instruction or other advice or communication, in the absence of gross negligence or willful misconduct of Disbursing Agent. Moreover, where relevant, any such notice, instruction or other advice or communication shall contain complete instructions as to any action to be taken and the Disbursing Agent shall, to the extent appropriate in accordance with this Agreement, comply with such instructions. Notwithstanding anything to the contrary provided herein, in the event that the Disbursing Agent shall for any reason be uncertain as to his duties or rights hereunder, or shall receive instructions from any of the parties hereto with respect to any Trust Funds which, in its opinion, are in conflict with applicable law or with any of the provisions of this Agreement, it may refrain from taking any action other than to keep safe the Trust Funds until it shall be directed otherwise by joint written instructions of the parties hereto or by final unappealable order of a court of competent jurisdiction.

(5) Limitations on Duties. The Disbursing Agent shall have no duties or responsibilities except those expressly set forth herein and shall have no liability to the parties hereto for any action taken or omitted in good faith which does not constitute gross negligence or willful misconduct. The Disbursing Agent may consult with counsel and shall have no liability to any party hereto with respect to any action taken or omitted in good faith on advice of such counsel. This Agreement sets forth the entire understanding of the parties hereto. The Disbursing Agent shall not be bound by any amendment of this Agreement unless in writing and signed by the other parties hereto and, if the Disbursing Agent's duties hereunder are

affected, unless it shall have given prior written consent thereto.

(6) (a) The parties hereto (other than M&P, Emons Industries, and Emons Marketing) shall be jointly liable for, and hereby agree to indemnify the Disbursing Agent and its successors, assigns, agents and servants, from and against any and all liabilities, obligations, losses, damages, taxes, claims, actions, suits, costs, expenses and disbursements, (including legal fees and expenses) of any kind and nature whatsoever (collectively, "Expenses") which may be imposed on, incurred by or asserted at any time against the Disbursing Agent (whether or not indemnified against by other parties) in any way relating to or arising out of this Agreement or any agreement contemplated hereby, except for any Expenses relating to or arising out of the gross negligence or willful misconduct of the Disbursing Agent. The indemnities contained in this Section 6(a) shall survive the termination of this Agreement. The Disbursing Agent shall have a lien on the Trust Funds for any compensation and indemnity due hereunder.

(b) Disbursing Agent shall not be required to take any action or refrain from taking any action under this Agreement unless Disbursing Agent shall have been indemnified by the parties hereto, in a manner and form satisfactory to Disbursing Agent, against any liability, cost or expense (including legal fees and expenses) which may be incurred in connection therewith. Disbursing Agent shall not be required to take any action nor shall any other provision of this Agreement be deemed to impose a duty on Disbursing Agent to take any action, if Disbursing Agent shall have reasonably determined or shall have been advised by counsel that such action is likely to result in liability on the part of Disbursing Agent or is contrary to the terms hereof or of any document contemplated hereby to which Disbursing Agent is a party, or is otherwise contrary to law.

(7) Notices. Any notice, instruction or other advice or communication required or permitted to be given hereunder shall be in writing and shall be mailed by registered or certified mail, return receipt requested, or delivered against receipt to the party to which it is to be given at the address set forth in the first paragraph of this Agreement, (or to such other address as the party in question shall have furnished in writing in accordance with the provisions hereof). Any notice, direction or other advice or communication given by registered or certified mail shall be deemed given at the time of mailing hereof.

(8) Expenses. The Car Owners shall promptly pay the fees of the Disbursing Agent and reimburse the Disbursing Agent for all reasonable expenses which it incurs in connection with the performance of its duties hereunder.

(9) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(10) Termination. This Agreement shall terminate with respect to each Car Owner on either (i) the date upon which any Car Owner sells all of the Cars subject to this Agreement; or (2) upon written mutual consent of all parties hereto.

(11) Counterparts. This Agreement may be executed in counterparts, all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective representatives thereunto duly authorized, as of the date first above written.

EMONS INDUSTRIES, INC.

By:_____

Title:_____

Date:_____

THE MARYLAND AND PENNSYLVANIA RAILROAD COMPANY

By:_____

Title:_____

Date:_____

EMONS MARKETING SERVICES, INC.

By:_____

Title:_____

Date:_____

UTC EQUIPMENT CORPORATION

By:_____

Title:_____

Date:_____

SIGNATURES CONTINUED

EXHIBIT B

SIGNET LEASING AND FINANCIAL CORPORATION

By:_____

Title:_____

Date:_____

BAMERILEASE, INC.

By: [signature]

Title: A.V.P.

Date: 5/15/88

BAMERILEASE CAPITAL CORPORATION

By: [signature]

Title: A. V. P.

Date: 5/15/88

THE LIFE INSURANCE COMPANY OF VIRGINIA

By:_____

Title:_____

Date:_____

MANUFACTURERS HANOVER LEASING COMPANY

By:_____

Title:_____

Date:_____

(SIGNATURES FOLLOW)

EXHIBIT B

EMCOB, INC.

By:_____

Title:_____

Date:_____

CHRYSLER RAIL TRANSPORTATION CORPORATION

By:_____

Title:_____

Date:_____

WILMINGTON TRUST COMPANY, as Disbursing Agent

By:_____

Title:_____

Date:_____

EXHIBIT B

Schedule A

DESCRIPTION OF LEASE AGREEMENTS BETWEEN CAR OWNERS AND MPA

(1) Lease Agreement between UTC Equipment Corporation and the Maryland and Pennsylvania Railroad Company for one hundred (100) cars.

(2) Lease Agreement between Signet Leasing and Financial Corporation and the Maryland and Pennsylvania Railroad Company for forty-nine (49) cars.

(3) Lease Agreement between Manufacturers Hanover Leasing Corporation and the Maryland and Pennsylvania Railroad Company for forty (40) cars.

EXHIBIT B

Schedule B

DESCRIPTION OF AGENCY AGREEMENTS BETWEEN CAR OWNERS AND MPA

(1) Agency Agreement between Chrysler Rail Transportation Corporation and the Maryland and Pennsylvania Railroad Company for three hundred five (305) cars.

(2) Agency Agreement between Bamerilease, Inc. and the Maryland and Pennsylvania Railroad Company for one (1) car.

(3) Agency Agreement between Bamerilease Capital Corporation and the Maryland and Pennsylvania Railroad Company for three (3) cars.

(4) Agency Agreement between the Life Insurance Company of Virginia and the Maryland and Pennsylvania Railroad Company for forty-nine (49) cars.

(5) Agency Agreement between Emcob, Inc. and the Maryland and Pennsylvania Railroad Company for seventy-five (75) cars.

EXHIBIT B

Schedule C

NUMBER OF PLATE B BOXCARS BY CAR OWNER

Chrysler ----------	145 Cars
Signet----------	49 Cars
UTC----------	100 Cars
	294 Cars

EXHIBIT B

Schedule D

NUMBER OF PLATE C BOXCARS BY CAR OWNER

BI----------	1 Car
BCC----------	3 Cars
Chrysler----------	160 Cars
Emcob----------	75 Cars
Life of Virginia-------	49 Cars
MHL----------	40 Cars
	328 Cars

EXHIBIT C

SECURITY AGREEMENT

SECURITY AGREEMENT dated as of the 1st day of December, 1987, between WILMINGTON TRUST COMPANY, a Delaware state banking association with an office at Rodney Square North, Wilmington, Delaware 19890, in its capacity as Disbursing Agent (the "Disbursing Agent") pursuant to the Intercreditor Agreement attached hereto as Exhibit A (the "Intercreditor Agreement") and THE MARYLAND AND PENNSYLVANIA RAILROAD COMPANY, a Maryland and Pennsylvania corporation with an office at One West Market Street, York, PA 17401 (the "Company").

W I T N E S S E T H:

Pursuant to a Lease Agreement dated as of the date hereof between the Company, as lessor, and Canadian Pacific Limited ("CP"), as lessee (the "CP Lease"), the Company currently leases to CP six hundred twenty-two (622) boxcars.

Pursuant to the Master Leases (as such term is defined in the Intercreditor Agreement), the Car Owners (as such term is defined in the Intercreditor Agreement) referred to on Schedule A to the Intercreditor Agreement have severally (but not jointly) leased to the Company, and the Company has agreed to hire from the Car Owners, one hundred eighty-nine (189) boxcars, with the understanding that the Cars will be subleased to CP pursuant to the CP Lease.

Pursuant to the Agency Agreements (as such term is defined in the Intercreditor Agreement), the Car Owners referred to on Schedule B to the Intercreditor Agreement have severally (but not jointly) granted to the Company the right to grant to CP a leasehold interest pursuant to the CP Lease in four hundred thirty-three (433) cars owned by such Car Owners.

NOW, THEREFORE, the parties hereto agree:

(1) As an inducement to the Car Owners to execute the M&P Car Agreements (as such term is defined in the Intercreditor Agreement) and to consent to, among other things, the inclusion of the Cars in the CP Lease (and in consideration thereof), the Company hereby sells, assigns, transfers, pledges and sets over unto the Disbursing Agent (for the benefit of the Car Owners), the Company's right, title and interest in and to the CP Lease and in and to rent to become due and payable from time to time under the CP Lease, and the proceeds thereof, as collateral security for the payment and performance of all obligations and duties of the Company to the Car Owners arising under or by virtue of the M&P Car Agreements.

(2) Except as otherwise provided in the Intercreditor Agreement, upon the occurrence of any Event of Default (as such term is defined in the M&P Car Agreements) by the Company, unless such Event of Default shall have been waived by the Car Owner which is a

party to such M&P Car Agreements, the Disbursing Agent shall have the right, upon giving CP written notice of such default, but without notice to or consent of the Company, to instruct CP to pay all rents and other sums payable by CP to the Company under the CP Lease to the Disbursing Agent.

(3) The execution by each Car Owner of the Intercreditor Agreement shall be a condition precedent to the effectiveness of this Security Agreement as to such Car Owner.

(4) This Security Agreement shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the parties have duly executed this Security Agreement the day and year first above written.

ATTEST:

WILMINGTON TRUST COMPANY, As Disbursing Agent

_____

By:_____

Title:_____

Date:_____

ATTEST:

THE MARYLAND AND PENNSYLVANIA RAILROAD COMPANY

_____

By:_____

Title:_____

Date:_____

EXHIBIT C

STATE OF :
:ss.:
COUNTY OF :

On the ____ day of _____, 198__, before me personally appeared _____ to me personally known, who, being by me duly sworn, says that he/she is the _____ of Wilmington Trust Company, the Disbursing Agent in the foregoing Security Agreement, that one of the seals 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/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

_____
Notary Public

COMMONWEALTH OF PENNSYLVANIA:
:ss.:
COUNTY OF YORK :

On the ____ day of _____, 198__, before me personally appeared _____ to me personally known, who, being by me duly sworn, says that he is the _____ of The Maryland and Pennsylvania Railroad Company, the Company in the foregoing Security Agreement, that one of the seals 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.

_____
Notary Public