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7-051A045

RECORDATION NO. 01 5172 Filed & Recorded
FEB 20 1987 12-1 5 PM
INTERSTATE COMMERCE COMMISSION

FEB 20 1987
140.00

February 10, 1987

RECORDATION NO. 01 5172 Filed & Recorded
FEB 20 1987 12-1 5 PM
INTERSTATE COMMERCE COMMISSION

ICC OFFICE OF THE SECRETARY
FEB 20 12 06 PM '87
MOTOR OPERATING UNIT

Office of the Secretary
Recordation Office
Interstate Commerce Commission
Twelfth and Constitution Avenue, N.W.
Washington, D.C. 20423

Re: Recordation and Filing of Fourteen Security Agreements pertaining to various Leases and Assignments of Railcars

Dear Sir:

In accordance with the provisions of Section 11303 of the Revised Interstate Commerce Act, 49 U.S.C. § 11303, and Part 1177 of Title 49 of the Code of Federal Regulations, we request that the enclosed documents be recorded and filed by the Interstate Commerce Commission (the "Commission").

A. Description of the Documents and the Parties Thereto

Enclosed herewith are one original and one copy of each of the documents listed below. We request that the copy of each document be recorded and filed in the order listed below and that the original be stamped to evidence recordation and returned to us.

Enclosed are:

Fourteen Security Agreements, each dated as of December 19, 1986, each between Wilmington Trust Company ("WTC"), as agent, Secured Party, the Maryland & Pennsylvania Railroad Company (the "M&P"), Debtor, as follows:

Counterparts CT Kimler

New Number

(a) Security Agreement relating to Lease dated as of December 19, 1986 between the M&P as lessor and Canadian Pacific Limited ("CP") as lessee for four hundred fifty (450) boxcars;

- A (b) Security Agreement relating to Lease dated as of October 10, 1984, between the M&P as lessor and CP as lessee, for two hundred seventy-five (275) boxcars;

- B (c) Security Agreement relating to Lease dated as of October 10, 1984, between the M&P as lessor and CP as lessee, for three hundred twenty-five (325) boxcars;

- C (d) Security Agreement relating to Lease dated as of January 1, 1985, between the M&P as lessor and Peoria and Pekin Union Railway, as lessee, for twenty (20) gondola freight cars;

- D (e) Security Agreement relating to Assignment consisting of four letter agreements dated December 21, 1979 (as amended October 21, 1981), May 13, 1983, May 2, 1984 and September 16, 1985 respectively, between the M&P as assignor and Canadian National Railways as assignee, for two hundred ninety-nine (299) boxcars;

- E (f) Security Agreement relating to Assignment dated as of December 3, 1984 between the M&P as assignor and CP as assignee, for sixty-six (66) boxcars;

- F (g) Security Agreement relating to Assignment dated as of June 29, 1979 (as supplemented July 17, 1979, April 16, 1980 and February 26, 1982) between the M&P as assignor and Seaboard Coast Line Railroad Company as assignee and a related agreement dated June 29, 1979 between the M&P and Procter & Gamble Paper Products Company, covering three hundred (300) boxcars;

- G (h) Security Agreement relating to Agreement dated as of November 1, 1984 between the M&P and Seaboard System Railroads, Inc. ("SSR"), covering two hundred fifty-five (255) boxcars;

- H (i) Security Agreement relating to Agreement dated as of January 2, 1985 (as amended January 22, 1986 and July 2, 1986) between the M&P and SSR, covering fifty-five (55) boxcars;

- I (j) Security Agreement relating to Assignment dated as of November 26, 1985, effective January 1, 1986, between the M&P as assignor and Consolidated Rail Corporation as assignee, for forty (40) boxcars;

- J (k) Security Agreement relating to Assignment dated as of July 2, 1985 between the M&P as assignor and CP as assignee, for thirteen (13) gondola freight cars;

- K (l) Security Agreement relating to Assignment dated as of November 22, 1983 between the M&P as assignor and CP as assignee, for fifty-nine (59) boxcars;

- L (m) Security Agreement relating to Assignment dated as of February 18, 1986 between the M&P as assignor and Southern Pacific Transportation Co. as assignee, for sixty-seven (67) gondola freight cars;

- M (n) Security Agreement relating to Assignment dated as of December 7, 1979 between the M&P as assignor and Louisville and Nashville Railroad Company as assignee, for fifty (50) boxcars.

The names and addressed for the parties to the transaction are:

Debtor: The Maryland and Pennsylvania Railroad Company
One West Market Street
York, Pennsylvania 17401
Attn: Mr. Robert Grossman

Secured Party: Wilmington Trust Company, as agent
Rodney Square North
Wilmington, Delaware 19890
Attn: Ms. Donna P. Closs

B. Procedural Matters

It is hereby respectfully requested that each of the following names be inserted in the Commission Index established pursuant to Section 1177.5(b) of Title 49 of the Code of Federal Regulations:

Maryland & Pennsylvania Railroad Company
Wilmington Trust Company, as agent for:
- Bamerilease, Inc.
- Bamerilease Capital Corp.
- BT Leasing Services, Inc.
- BT Equipment Leasing, Inc.
- Chase Manhattan B-Air Holding Corporation
- Chemical Bank
- The Connecticut Bank & Trust Company, N.A.
- Chase Manhattan Services Corp.
- ET Railcar Corporation
- Equitable Bank, N.A.
- Fidelity Bank, N.A.
- Hamilton Bank
- Life Insurance Company of Virginia
- Manufacturers Hanover Leasing Corp.
- Meridian Bank
- MHGGAA Corporation
- UTC Equipment Corporation
- Union-Tidewater Financial Company

A check in the amount of $140 has been enclosed with this letter of transmittal to cover the recordation fee.

Please stamp and return the enclosed copy of this letter of transmittal.

A short summary of the enclosed primary documents to appear in the Commission's Index is:

Fourteen Security Agreements each dated as of December 19, 1986, each between the Maryland & Pennsylvania Railroad Company, Debtor, and Wilmington Trust Company, as agent, Secured Party, relating to various Leases and Assignments.

If there are any questions with respect to the enclosed or the transactions described therein, please telephone Michael W. Stamm of this Office.

Very truly yours,

Slade & Pellman

SLADE & PELLMAN

Enclosures

1291E

RECORDATION NO. 1 5 1 7 Filed & Recorded
FEB 20 1987 12-1 5 PM
INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

SECURITY AGREEMENT dated as of December 19, 1986, between WILMINGTON TRUST COMPANY, a Delaware state banking association with an office at Rodney Square North, Wilmington, Delaware 19890, in its capacity as Agent (the "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 1 West Market Street, York, Pennsylvania 17401 (the "Company").

W I T N E S S E T H:

Pursuant to an Agreement dated as of November 1, 1984, between the Company and Seaboard System Railroads, Inc. ("SSR") (the "SSR Agreement"), the Company currently provides to SSR two hundred fifty-five (255) boxcars.

Pursuant to the Master Leases (as such term is defined in the Intercreditor Agreement), the Lessors (as such term is defined in the Intercreditor Agreement) have severally (but not jointly) leased to the Company, and the Company has agreed to hire from the Lessors, two hundred fifty-five (255) boxcars (the "Cars"), with the understanding that the Cars will be subleased to SSR pursuant to the SSR Agreement.

NOW THEREFORE, the parties hereto agree:

(1) As an inducement to the Lessors to execute the Master Leases and to consent to, among other things, the inclusion of the Cars in the SSR Agreement (and in consideration thereof), the Company hereby

(i) sells, assigns, transfers, pledges and sets over unto the Agent (for the benefit of the Lessors) the Company's right, title and interest in and to the SSR Agreement and in and to revenues to become due and payable from time to time under the SSR Agreement, and the proceeds thereof, and

(ii) grants to the Agent (for the benefit of the Lessors) a security interest in all accounts of the Company arising from the use of the Cars in the SSR Agreement,

in each case as collateral security for the payment and performance of all obligations and duties of the Company to the Lessors arising under or by virtue of the Master Leases.

(2) Except as otherwise provided in the Intercreditor Agreement, upon the occurrence of any Event of Default (as such term is defined in the Master Leases) by the Company, unless such Event of Default shall have been waived by the Lessor which is a party to such Master Lease, the Agent shall have the right, upon giving SSR written notice of such default, but without notice to or consent of the Company;

(i) to instruct SSR to pay to the Agent any amounts payable by SSR to the Company pursuant to the SSR Agreement; and

(ii) to instruct the Company to segregate and pay immediately to the Agent any amounts received by the Company pursuant to the SSR Agreement; and

(iii) to deal with SSR with respect to the SSR Agreement to the exclusion of any contrary or concurrent instructions from the Company.

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

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

ATTEST:

WILMINGTON TRUST COMPANY, as Agent

By: _____
Title: A VP

ATTEST:

Secretary

THE MARYLAND AND PENNSYLVANIA RAILROAD COMPANY

By: _____
Title: President

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

On the 31st day of December, 1986, before me personally appeared Donna P. Closs to me personally known, who, being by me duly sworn, says that she is the Assistant Vice President of The Wilmington Trust Company, the 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 acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Ellen A. Gibson
Notary Public

ELLEN A. GIBSON
Notary Public, State of New York
No. 31-4868438
Qualified in New York County
Commission Expires July 28, 1988

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

On the 31st day of December, 1986, before me personally appeared Robert Grossman to me personally known, who, being by me duly sworn, says that he is the President 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.

Ellen A. Gibson
Notary Public

ELLEN A. GIBSON
Notary Public, State of New York
No. 31-4868438
Qualified in New York County
Commission Expires July 28, 1988

0550E

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

I have compared the foregoing copy to the original document and have found the copy to be complete and identical in all respects to the original document.

Notary Public

ELLEN A. GIBSON
Notary Public, State of New York
No. 31-4868438
Qualified in New York County
Commission Expires July 28, 1988

1292E

RECORDATION NO.
01 5172-G

Exhibit A

FEB. 20 1987

INTERCREDITOR AGREEMENT

Agreement entered into as of the 19th day of December, 1986, among WILMINGTON TRUST COMPANY, a Delaware state banking association with an office at Rodney Square North, Wilmington, Delaware 19890 ("WTC") as agent hereunder ("Agent"), BAMERILEASE CAPITAL CORPORATION, a California corporation with an office at Two Embarcadiro Center, Dept. 5820, San Francisco, California 94111 ("BCC"), ET RAILCAR CORPORATION, a Delaware corporation with an office at One West Market Street, York, Pennsylvania 17401 ("ET"), THE CONNECTICUT BANK & TRUST COMPANY, N.A., a national banking association, with an office at One Constitution Plaza, Hartford, Connecticut 06115 ("CBT") as owner-trustee for Chase Manhattan Services Corporation, BT EQUIPMENT LEASING, INC., a New York corporation with an office at 280 Park Avenue, New York, New York 10017 ("BTE") and UNION-TIDEWATER FINANCIAL COMPANY, INC., a Maryland corporation with an office at 7 St. Paul Street, Baltimore, Maryland 21202 ("Union-Tidewater", and together with BCC, ET, CBT and BTE, the "Lessors"), THE MARYLAND AND PENNSYLVANIA RAILROAD COMPANY, a Maryland and Pennsylvania corporation with an office at 1 West Market Street, York, Pennsylvania 17401 (the "M&P") and EMONS INDUSTRIES, INC., a New York corporation with an office at 1 West Market Street, York, Pennsylvania 17401 ("Emons").

Pursuant to an Agreement (the "SSR Agreement") dated as of November 1, 1984 between the M&P and Seaboard Systems Railroad, Inc. ("SSR"), the M&P currently provides to SSR two hundred fifty-five (255) boxcars (the "Cars").

Pursuant to five Lease Agreements dated as of the date hereof described on Schedule A attached hereto, between the several Lessors and the M&P, as lessee (collectively, the "Master Leases"), the Lessors have leased to the M&P a total of two hundred fifty-five (255) boxcars with the understanding that those cars will be provided to SSR pursuant to the SSR Agreement.

It is currently contemplated that each Lessor will enter into a Management Agreement with Emons (collectively, the "Management Agreements"), and each will instruct the M&P to pay to Emons, as Manager, all rent due under the Master Lease to which such Lessor is a party, so long as no Event of Default by the M&P has occurred and is continuing thereunder.

Pursuant to a Security Agreement dated as of the date hereof, the M&P has granted to the Agent, for the benefit of the Lessors, a collateral assignment of all right, title and interest of the M&P in and to the SSR Agreement and the rent due and payable from time to time thereunder as security for the several obligations of the M&P to the Lessors under the Master Leases.

The Lessors 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 SSR Agreement.

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 Agent, at any time or from time to time, pursuant to Section 2 of this Agreement.

"Gross Allocated Portion" as to each Lessor shall mean a portion of any Trust Funds which may be held from time to time by the Agent which represent load, periodic mileage or other car hire fees, equal to the Actual Car Performance Amount of such Trust Funds.

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

"Actual Car Performance Amount" as to any Lessor shall mean a portion of any Trust Funds held by the Agent which represent load, periodic mileage or other car hire fees equal to the portion thereof which represents the sum of all load, periodic mileage and other car hire fees actually attributable to the operation of such Lessor's Boxcars.

"Secured Obligation", when used with reference to any Lessor, shall mean any obligation of the M&P to pay money to such Lessor pursuant to the Master Lease to which such Lessor is a party.

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

(2) Appointment of Agent and Payment of Trust Funds. (a) The Lessors appoint WTC to serve as agent hereunder, and WTC accepts such appointment. Any Lessor may remove the Agent, for cause and upon ten (10) days' written notice to all other parties to this Agreement. Promptly after receipt of such notice, Lessors which own more than fifty (50%) percent of the Cars then subject to the SSR Agreement shall appoint a successor agent, and if such Lessors shall fail to appoint a

successor agent within 30 days of removal of the Agent, then any Lessor shall have the right to appoint a successor agent. The first so appointed prospective agent to execute an Instrument of Appointment agreeing to act in accordance with this Agreement shall become the Agent for all purposes of this Agreement.

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

(3) Disbursement of Trust Funds. (a) Promptly after receiving any Trust Funds which represent load, periodic mileage or other car hire fees, the Agent shall distribute such Trust Funds by disbursing

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

(ii) to Emons, as manager under the 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 boxcar pursuant to Interchange Rules of the Association of American Railroads or any other payment with respect to a lost, stolen or destroyed boxcar, the Agent shall pay such amount to the Lessor which owns (or its secured creditor) such destroyed boxcar less any amount payable to Emons pursuant to Section 7(d) of the Management Agreement to which such Lessor is a party.

(c) Promptly after receipt thereof, all other amounts received in respect of any Car shall be paid to the Lessor of such Car.

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

(4) Reliance. The Agent may rely upon any written notice, instruction or other advice or communication received by it from any Lessor 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 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 by the 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 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 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) Termination. This Agreement shall terminate with respect to each Lessor on the earlier of (x) the date upon which such Lessor sells all of the Cars subject to this Agreement or (y) June 30, 1994.

(6) Limitations on Duties. The 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 by the Agent. The 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 Agent shall not be bound by any amendment of this Agreement unless in writing and signed by the other parties hereto and, if the Agent's duties hereunder are affected, unless it shall have given prior written consent thereto.

(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 Lessors shall promptly pay the fees of the Agent and reimburse the Agent for all reasonable expenses which it incurs in connection with the performance of its duties hereunder.

(9) Additional Lessor. The Lessors' Cars account for 176 of the 275 cars provided for in the SSR Agreement. It is contemplated that the M&P will as soon as possible after the date hereof obtain ninety-nine (99) additional Cars for inclusion in the SSR Agreement. As a condition precedent to the inclusion of such additional cars in the SSR Agreement, each owner thereof shall be required to execute a supplement to this Agreement, whereupon such owner shall become a Lessor hereunder.

(10) 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 executed by their respective representatives thereunto duly authorized, as of the date first above written.

EMONS INDUSTRIES, INC.

By _____
President

THE MARYLAND AND PENNSYLVANIA RAILROAD COMPANY

By _____
President

BAMERILEASE CAPITAL CORPORATION

By _____

ET RAILCAR CORPORATION

By _____
Secretary

THE CONNECTICUT BANK & TRUST COMPANY, N.A., as agent for Chase Manhattan Services Corporation

By _____

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

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EMONS INDUSTRIES, INC.

By_____

THE MARYLAND AND PENNSYLVANIA RAILROAD COMPANY

By_____

BAMERILEASE CAPITAL CORPORATION

By_____

ET RAILCAR CORPORATION

By_____

THE CONNECTICUT BANK & TRUST COMPANY, N.A., as agent for Chase Manhattan Services Corporation

By_____

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EMONS INDUSTRIES, INC.

By_____

THE MARYLAND AND PENNSYLVANIA RAILROAD COMPANY

By_____

BAMERILEASE CAPITAL CORPORATION

By_____

ET RAILCAR CORPORATION

By_____

THE CONNECTICUT BANK & TRUST COMPANY, N.A., as agent for Chase Manhattan Services Corporation

By_____

BT EQUIPMENT LEASING, INC.

By _____

UNION-TIDEWATER FINANCIAL COMPANY, INC.

By _____

WILMINGTON TRUST COMPANY, as agent

By _____

0552E

BT EQUIPMENT LEASING, INC.

By_____

UNION-TIDEWATER FINANCIAL
COMPANY, INC.

By Audrey Kaplan V.P.

WILMINGTON TRUST COMPANY, as
agent

By_____

0552E

BT EQUIPMENT LEASING, INC.

By_____

UNION-TIDEWATER FINANCIAL
COMPANY, INC.

By_____

WILMINGTON TRUST COMPANY, as
agent

By_____

0552E