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7-051A045

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

FEB 20 1987

140.00

February 10, 1987

RECORDATION NO. 1 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 of Kessler

(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;

(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;

(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;

(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;

(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;

(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;

(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;

(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

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RECORDATION NO. 1 5172 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 (the "CP Assignment") dated as of November 22, 1983, between the Company and Canadian Pacific Limited ("CP"), the Company has assigned to CP fifty-nine (59) 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, fifty-nine (59) boxcars (the "Cars"), with the understanding that the Cars will be provided to CP pursuant to the CP Assignment.

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 CP Assignment (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 CP Assignment and in and to revenues to become due and payable from time to time under the CP Assignment, 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 CP Assignment,

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 CP written notice of such default, but without notice to or consent of the Company:

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

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

(iii) to deal with CP with respect to the CP Assignment 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: AVP

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.

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.

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)

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

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