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RECORDATION NO. Filed 1425
JUN 22 1987 -12 25 PM
INTERSTATE COMMERCE COMMISSION

New Number

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ANTHONY P. COLES
NEAL DITTERSDORF
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ERIC D. STATMAN

1 5249 C
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1 5249 A
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INTERSTATE COMMERCE COMMISSION

June 19, 1987

7-173A070

No. JUN 22 1987

Date

Fee $ 50.00

ICC Washington, D. C.

ICC OFFICE OF THE SECRETARY
JUN 22 12 16 PM '87
MOTOR OPERATIONS 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 Five Leases of Railroad Equipment

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:

Five Leases of Railroad Equipment, each dated as of February 25, 1987, each between The Connecticut Bank and Trust Company, National Association ("CBT") not in its individual capacity but solely as owner-trustee for Chase Manhattan Service Corporation, and the Maryland & Pennsylvania Railroad Company (the "M&P"), as lessee, as follows:

Constitution C. Kessler

(a) Lease dated as of February 25, 1987 between CBT as lessor and the M&P as lessee for twenty-four (24) boxcars; NEW NO.

(b) Lease dated as of February 25, 1987, between CBT as lessor and the M&P as lessee, for ninety-four (94) boxcars; -A

(c) Lease dated as of February 25, 1987, between CBT as lessor and the M&P as lessee, for one hundred forty-seven (147) boxcars; -B

(d) Lease dated as of February 25, 1987, between CBT as lessor and the M&P as lessee, for forty-five (45) boxcars; -C

(e) Lease dated as of February 25, 1987 between CBT as lessor and the M&P as lessee for thirteen (13) boxcars. -D

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

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

Lessor: The Connecticut Bank and Trust Company, N.A.
100 Constitution Plaza
Hartford, CT 06115

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
The Connecticut Bank and Trust Company, N.A., as owner-trustee for:

Chase Manhattan Services Corp.

A check in the amount of $50 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:

Five Leases of Railroad Equipment each dated as of February 25, 1987, each between the Maryland & Pennsylvania Railroad Company, Lessee, and The Connecticut Bank and Trust Company, N.A., as owner-trustee, Lessor.

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. 5249-A Filed 1425

JUN 22 1987 -12 25 PM

INTERSTATE COMMERCE COMMISSION

ICC COPY

-A

LEASE OF RAILROAD EQUIPMENT

AGREEMENT entered into as of the 25th day of February, 1987, by and between THE CONNECTICUT BANK AND TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association with an office at One Constitution Plaza, Hartford, Connecticut 06115 ("CBT"), not in its individual capacity but solely as owner-trustee (hereinafter referred to as "Lessor") under two trust agreements dated December 18, 1979 and January 21, 1980, between CBT and Chase Manhattan Service Corporation, 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 three letter agreement dated December 21, 1979 (as amended October 21, 1981), May 13, 1983 and May 2, 1984, respectively (the "CN Assignment") between Canadian National Railways ("CN") and the M&P, the M&P currently provides to CN two hundred ninety-nine (299) boxcars.

The Lessor owns or holds under lease ninety-four (94) 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 lease the Cars to the M&P on the terms and conditions set forth in this Lease, with the understanding that the Cars will continue to be used under the CN Assignment (the M&P in its capacity as lessee of the Cars hereunder is hereinafter referred as the "Lessee").

The Cars will initially be managed for Lessor by Emons Industries, Inc., as manager (the "Manager") pursuant to a Management Agreement between Lessor and Manager, dated as of December 19, 1986 (the "Management Agreement").

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

1. Lease and Hire: Lessor hereby lets to Lessee and Lessee hereby leases from Lessor the Cars.

2. Rental Payments: The Lessee hereby covenants and agrees to pay, or cause to be paid to the Lessor and its successors and assigns, as basic rent hereunder, not later than ten days after the end of each month, an amount equal to (i) the Lessor's Gross Allocated Portion (as such term is defined below) of Gross Revenues (as such term in defined below) received during such month minus (ii) the aggregate cost of any expenses relating to the Cars paid during such month by Lessee pursuant to this Lease and the CN Assignment, which were

previously approved by the Manager (whose right to give such approval shall be governed by the Management Agreement). For the purpose of this Lease, "Gross Revenues" shall be defined as all revenues in the form of rents, car hire payments of any kind or any other payments collected from users other than the Lessee (which shall have free use of the Cars on its lines) in connection with the use, lease and/or operation of the Cars for a given month, less any paid or accrued reclaims, rebates or incentive load fees with respect to the Cars during such month. "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 C attached hereto (the "Intercreditor Agreement").

3. Term of Lease: The term of this Lease as to each Car shall begin as of the date hereof and shall terminate on the date of any termination of the CN Assignment with respect to such Car. Notwithstanding the foregoing, it is understood that this Lease is terminable with respect to all Cars upon 30 days' prior notice.

4. Maintenance, Taxes and Insurance:

(a) To the extent not payable and paid by third parties and except as otherwise provided herein, Lessor will pay all costs, expenses, fees and charges incurred in connection with the use and operation of each Car during its lease terms and any extension thereof, including but not limited to taxes, repairs and maintenance.

(b) To the extent not payable and paid by third parties, Lessor (through the Manager pursuant to Section 19 hereof) 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, except franchise or similar taxes on income imposed on Lessee. Lessee shall provide Lessor and/or Manager with such information as shall be necessary to prepare and file forms for such taxes.

(c) Lessor shall have the right but not the obligation to obtain casualty and/or liability insurance with respect to the Cars in excess of the amounts, if any, provided under the CN Assignment and the Management Agreement.

5. Identification Marks: The Lessor will permit each Car to be numbered in the sequence and bear the names or initials or other insignia permitted or required by the CN Agreement. Lessee will notify Lessor promptly of any changes in any such markings.

6. Risk of Loss: 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 Lease, Lessee shall promptly and fully notify Lessor with respect thereto. Lessee shall promptly pay to Lessor any amounts either received from any other person or entity, or payable by Lessee, by reason of any such Casualty Occurrence. Effective the later of (a) the date the obligations of CN under the CN Assignment terminate by reason of any Casualty Occurrence or (b) the date on which Lessor receives payment of amounts required pursuant to this Lease with respect to such Car, this Lease shall terminate with respect to any Car affected by such Casualty Occurrence, and Lessor shall have exclusive right to any Car, to the extent not inconsistent with the CN Assignment, applicable law or AAR Interchange Rules for destroyed cars, upon such termination. Lessor shall have the right (to the extent permitted by the CN Assignment and the Intercreditor Agreement) but not the obligation to replace any Car which is the subject of a Casualty Occurrence with another similar car owned by Lessor.

7. Return of Cars: On termination of this Lease, with respect to any Car, Lessee will return such Car to the control of the Manager (acting on behalf of the Lessor) for further disposition in accordance with the Management Agreement, including without limitation Sections 3(d), (e), (h), (m), (n), (p), (r) and (s) thereof. Lessee shall return such Car at the location at which, and in the condition in which, the Cars are required to be returned to Lessee at the termination of and pursuant to the CN Assignment; provided, however, that the liability of the Lessee for the breach of this provision shall be limited to the damages received from CN under the CN Assignment for CN's failure to return the Cars in accordance with the CN Assignment.

8. Assignment - Use and Possession: Except as expressly provided herein, Lessee will not assign, transfer, encumber or otherwise dispose of its leasehold interest under this Lease, the Cars or any part thereof, or sublet the Cars or place any of the Cars in assigned service without the consent of the Lessor in writing first obtained; provided, however, that Lessor hereby consents to the use of the Cars by CN pursuant to the CN Assignment. Lessee will not permit any encumbrances or liens, based upon any acts, omissions or liability of Lessee, to exist, 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) The payment of any rent herein provided shall not be made when due, and such default shall continue for a period of three (3) business days; or

(b) Lessee shall attempt to remove, sell, transfer, encumber or sublet (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 Lessee 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 Lessee or for any substantial part of its property, or (iii) for the winding up or liquidation of the affairs of Lessee; 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) Lessee 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 Lessee 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) Lessee shall have actual 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 a breach of the CN Assignment or permit the early termination of the CN Assignment, and shall fail within five (5) business days of obtaining actual knowledge thereof to notify Lessor of such condition, event, act or omission (whether resulting from the acts or omissions of either the Lessee or CN); or

(f) The default by Lessee in any other obligation, term, condition, covenant, representation, warranty or provision hereunder;

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

A. Proceed by appropriate court action or actions either at law or in equity to enforce performance by Lessee of the applicable duties and obligations of Lessee under this Agreement, or to recover damages (including incidental and consequential damages) for breach thereof, or to compel Lessee to enforce the applicable provisions of the CN Assignment; or

B. By notice in writing to Lessee, terminate this Agreement, whereupon all right of Lessee to the use of the Cars shall absolutely cease and terminate as though this Agreement had never been made, and thereupon, Lessor may, itself or by its agents and without notice to Lessee, (1) enter upon the premises of Lessee of other premises where the Cars may be located and take possession of all or any such Cars and thenceforth hold, possess and enjoy the same free from any right of Lessee, or its successors or assigns, to use the Cars for any purpose whatever, and/or (2) to the extent permitted by applicable law and AAR rules and regulations, substitute itself or its designee in all respects in place of the Lessee as lessor under the CN Assignment or otherwise as claimant of rights at law or in equity, and/or (3) terminate the CN Assignment in accordance with its terms or otherwise exercise such rights thereunder, as the Lessor in its sole discretion may elect.

10. Indemnities: Lessor agrees to indemnify Lessee and hold it harmless from any loss, expense or liability which Lessee may suffer or incur from any charge, claim, proceeding, 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 Lease, except for any such loss, expense or liability which arises from Lessee's negligence, bad faith, recklessness or willful misconduct or for which the Lessee has received indemnification from any third party, including without limitation CN under the CN Assignment, or which arises as a result of the operation of the Cars on Lessee's lines, for all of which Lessee shall indemnify and hold harmless Lessor. Lessor shall have the right, in its sole discretion, to select counsel or to approve counsel proposed by Lessee to prosecute or defend any such charge, claim, proceeding, suit or other event for which it may be liable under this Lease. 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. Lessee independently agrees that it shall not take any steps that would create any claims, lien, security interest or encumbrance with respect to any Car and, should any arise ~~form~~ from the action of Lessee, it shall promptly discharge the same. If Lessor shall indemnify Lessee pursuant to this section, Lessor

MAG

shall be subrogated to the rights of the Lessee against any third party arising from such event, including any recoveries subsequent to the Lessor's indemnity to the Lessee.

11. Assignment of Revenues:

Pursuant to the terms of a Security Agreement in substantially the form attached hereto as Exhibit B, Lessee has granted the Agent (as such term is defined in the Intercreditor Agreement), a security interest in all of Lessee's right, title and interest in and to the CN Assignment and in and to revenues to become due and payable from time to time under the CN Assignment, as collateral security for the payment and performance of all obligations and duties of Lessee to Lessor arising under or by virtue of this Lease. Any monies paid pursuant to the CN Assignment and received by the Lessee shall be held in trust for the exclusive benefit of the Lessor and paid promptly to the Lessor in accordance with this Lease.

12. Amendment of Lease: Lessee will not take any action to amend, modify, extend, renew or cancel the CN Assignment or waive any right or grant any consent thereunder in any respect without the prior written consent of Lessor. Lessee represents and warrants that attached hereto as Exhibit D is a true, correct and complete copy of the CN Assignment as in effect on the date of delivery of this Lease.

13. Delay or Partial Exercise: No failure or delay on the part of Lessor in exercising any right, power or privilege hereunder shall operate as a waiver thereof or of any other right, power or privilege of Lessor 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 Lessee shall not be liable to Lessor for any consequential or incidental damages suffered by Lessor as a direct result of any such delay on the part of Lessor. The rights and remedies of Lessor hereunder are cumulative and not exclusive of any rights or remedies which it may otherwise have.

14. Instructions and Proceedings:

(a) Lessee shall notify Lessor (and shall send a copy of any such notice to Citicorp Industrial Credit, Inc. ("CIC")) of any request sent to it by CN, its right to exercise any option or to make any election under the CN Assignment or to grant any consent under the CN Assignment. Lessee shall not respond to any request, exercise any option, make any election or grant any consent under the CN Assignment, including without limitation giving CN notice of substitution of a Car, early termination or an event of default without obtaining the Lessor's prior written consent thereto.

(b) Within three (3) business days of its receipt of written instruction to do so from Lessor, Lessee shall take such action, if any, specified by the Lessor in its instructions (i) to respond to any request, exercise any option, make any election, or grant any consent which Lessee has the power to exercise, make or grant, or (ii) to enforce any rights possessed by Lessee under the CN Assignment or otherwise at law or in equity with respect to the Cars; provided, however, that if any such action must be undertaken less than five (5) business days after Lessee notifies Lessor pursuant to subsection (a) above, then Lessor may transmit its instructions to Lessee by telephonic notice.

(c) In the event that any proceeding is instituted by Lessee with respect to the Cars to enforce its rights under the CN Assignment or Lessee is joined under Section 14(d) hereof, such proceedings shall be conducted at Lessor's expense by counsel selected or approved by Lessor and in accordance in all respects with the legally permissible instructions of Lessor; provided, however, that with respect to any proceeding affecting rights personal to Lessee (including without limitation slander, libel, criminal charges, regulatory matters, third-party liability and franchise or other similar taxes on income imposed on Lessee), Lessee shall conduct such proceedings at its own expense, but not in any manner which materially impairs any rights of the Lessor, and shall not be subject to Lessor's instructions.

(d) Lessee shall have no obligation to institute or maintain any proceeding to enforce its rights under the CN Assignment, except in the event that the joinder of Lessee shall be required legally as a condition to the institution or maintenance of such proceeding, in which case the Lessee shall cooperate with Lessor in such proceeding.

(e) Lessee hereby appoints Lessor as its attorney-in-fact to enforce any of its rights against any third party pursuant to this Lease or the CN Assignment. Lessor shall give prior written notice to Lessee of any action to be taken by Lessor pursuant to this power-of-attorney.

15. Arbitration: Should any arbitration arise under the CN Assignment, Lessee shall promptly advise Lessor thereof and shall follow any legally permissible instructions received from Lessor in regard thereto. Lessee agrees it shall undertake no settlement or appoint any arbiter thereunder without Lessor's prior consent. Lessee shall not be liable for any damage or liability sustained or incurred by Lessor relating to its failure to promptly appoint an arbiter or otherwise comply with or instruct Lessee to so comply with the terms of any arbitration provisions contained in the CN Assignment.

16. Compliance with Laws and Regulations: This Lease 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. Lessor and Lessee 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 Lease. Lessor will file and record this Lease 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 superceded hereby, and all rights of the parties in respect of such Cars shall be governed by this Lease.

18. Notices: Any notice, instruction, direction or request required or permitted to be given by either party hereto to the other or to CIC shall be deemed to have been given upon the earlier of (a) actual receipt or (b) three (3) business days after such party deposits such notice, instruction, direction or request in the United States mails, certified, postage prepaid, and addressed to the other party at the address set forth with respect to such party in the first paragraph of this Lease or, if to CIC, at its office at 450 Mamaroneck Avenue, Harrison, New York 10528, Attention: Mr. Michael A. Graves, Vice President, or at such other address as such party or CIC shall hereafter furnish to the appropriate party in writing. Notwithstanding the foregoing, Lessor may notify, instruct, direct or request Lessee by telephonic advice, as provided in this Lease.

19. Assignments by Lessor; Payments to Manager: Lessor shall have the right to assign or grant participations in all or any part of its interest in this Lease to any entity or entities without the prior consent of Lessee. Payments due Lessor hereunder shall be made to Manager; provided, however, that Lessee shall make payments due to Lessor hereunder directly to Lessor (i) upon Lessee's receipt of written notice from Lessor that (a) an Event of Default by Manager has occurred and is continuing under 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 Lessor, upon Lessee'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 Lessee shall continue to pay any sums of basic rent, or other amounts payable to the Lessor under this Agreement, received after the termination of this Lease to the Manager in accordance with this section.

20. Severability, Effect and Modifications of Lease: Any provision of this Lease 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. Successors and Assigns: All parties referred to in this Lease shall be deemed to include the successors or assigns thereof. All of the terms and provision of this Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective transferees, legal representatives, heirs, successors and assigns.

22. Further Assurances: The Lessee and the Lessor will execute and deliver all such instruments and take all such action as the other party, from time to time, may reasonably request in order further to effectuate the purposes and to carry out the terms of this Lease.

23. Management Agreement: The Lessee hereby represents and warrants that it has received a copy of the Mangement Agreement.

24. Survival: The representations, warranties and agreements of the Lessor and the Lessee shall survive the termination of this Lease with respect to any event arising prior to the termination of this Lease, including without limitation the obligation to pay to the Manager pursuant to Section 19 hereof any sums of basic rent received after the termination of this Lease but arising from the use of the Cars prior to the termination of this Lease. Lessee shall pay to Manager pursuant to Section 19 hereof the Lessor's Gross Allocated Portion of any Gross Revenues received for the use of the Cars after the termination of this Lease. After the termination of this Lease, the Lessee shall have no authority to take any action to incur any expenses with respect to the Cars, unless such expenses were previously approved by the Manager (whose right to give such approval shall be governed by the Management Agreement), and shall have no duty with respect to the use, maintenance or operation of the Cars. Notwithstanding the foregoing, the indemnification provisions set forth in Section 10 hereof shall survive the termination of this Lease and shall continue in full force and effect with respect to any loss, expense or liability arising in connection with the use, possession or operation of the Cars until such time as the Lessee returns the Cars to the control of the

Manager (acting on behalf of the Lessor) in accordance with Section 7 hereof.

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

ATTEST:

THE CONNECTICUT BANK AND TRUST COMPANY, N.A., as owner-trustee for Chase Manhattan Service Corporation

By: _____

ATTEST:

THE MARYLAND AND PENNSYLVANIA RAILROAD COMPANY

By: _____
Chairman

Controller-Secretary

CONSENTED TO:

CITICORP INDUSTRIAL CREDIT, INC.

By: Michael A. Graves

1903E

MICHAEL A. GRAVES
Vice President

STATE OF CONNECTICUT)
) ss.:
COUNTY OF HARTFORD)

On the 24th day of april, 1987, before me personally appeared M. Kreuscher, to me personally known, who being by me duly sworn, says that he is the ASSISTANT VICE PRESIDENT of THE CONNECTICUT BANK AND TRUST COMPANY, N.A., Lessor in the foregoing Lease of Railroad Equipment, 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 40 its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Ruth A. Smith
Notary Public

RUTH A. SMITH
NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31, 1989

STATE OF Pennsylvania)
: ss.:
COUNTY OF York)

On the 22 day of May, 1987 before me personally appeared Robert Grossman, to me personally known, who, being by me duly sworn, says that he is the Chairman of The Maryland and Pennsylvania Railroad Company, Lessee in the foregoing Lease of Railroad Equipment, 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.

Annmarie Wileczek
Notary Public

ANNMARIE WILECZEK, Notary Public
York, York County, Pennsylvania
My Commission Expires April 16, 1990

1903E

OWNER = LL

TRANSACTION = CNS

Exhibit A

15049 A

REPORTING MARKS	NUMBER
MPA	31035
MPA	31055
MPA	31079
MPA	37826
MPA	37827
MPA	37829
MPA	37831
MPA	37832
MPA	37833
MPA	37835
MPA	37836
MPA	37837
MPA	37839
MPA	37840
MPA	37842
MPA	37843
MPA	37847
MPA	37876
MPA	37878
MPA	37881
MPA	37885
MPA	37887
MPA	37888
MPA	37891
MPA	37892
MPA	37894
MPA	37895
MPA	37900
MPA	37915
MPA	37917
MPA	37920
MPA	37924
MPA	39881
MPA	39883
MPA	39885
MPA	39887
MPA	39890
MPA	39892
MPA	39893
MPA	39894
MPA	39896
MPA	39897
MPA	39898
MPA	39899
MPA	39900
MPA	39902
MPA	39903
MPA	39905
MPA	39906
MPA	39909

37734 SBD

37735 SOP

OWNER = LL

Exhibit A (cont)

15249 A

REPORTING MARKS	NUMBER
MPA	39910
MPA	39911
MPA	39912
MPA	39914
MPA	39915
MPA	39918
MPA	39919
MPA	39920
MPA	39922
MPA	39923
MPA	39928
MPA	39929
MPA	39945
MPA	39946
MPA	39948
MPA	39949
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MPA	39964
MPA	39965
MPA	39966
MPA	39970
MPA	39972
MPA	39973
MPA	39975
MPA	39976
MPA	39977
MPA	39978
MPA	39979
MPA	39981
MPA	39983
MPA	39984
MPA	39987
MPA	39991
MPA	39999

TOTAL = 94

TOTAL = 94

Exhibit B

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 four Letter Agreements dated December 21, 1979 (as amended October 21, 1981), May 13, 1983, May 2, 1984, and September 16, 1985 respectively (the "CN Assignments"), between the Company, as assignor, and Canadian National Railways ("CN"), as assignee, the Company has assigned to CN two hundred ninety-nine (299) boxcars (the "Cars").

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 ninety-two (292) boxcars (the "Cars"), with the understanding that the Cars will be assigned to CN pursuant to the CN Assignments.

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 CN Assignments (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 CN Assignments and in and to revenues to become due and payable from time to time under the CN Assignments, 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 CN Assignments,

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 CN written notice of such default, but without notice to or consent of the Company;

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

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

(iii) to deal with CN with respect to the CN 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:

ATTEST:

THE MARYLAND AND PENNSYLVANIA RAILROAD COMPANY

_____

By: _____
Title:

0551E

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

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

0551E

15249A

EXHIBIT C

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 Embarcadero 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) 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 and CBT, 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 four Letter Agreements dated December 21, 1979 (as amended October 21, 1983), May 13, 1983, May 2, 1984, and September 16, 1985, respectively (the "CN Assignments") between the M&P, as lessor, and Canadian National Railways ("CN"), the M&P currently leases to CN two hundred ninety-nine (299) boxcars (the "Cars").

Pursuant to three 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 ninety-two (292) boxcars with the understanding that those cars will be used in the CN Assignments.

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 CN Assignments 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 CN Assignments.

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 CN Assignments 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 CN to pay to the Agent all amounts payable to the M&P pursuant to the CN Assignments.

(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 (or its secured creditor) which owns 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 (in accordance with the attached schedule) 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 292 of the 299 cars provided for in the CN Assignments. It is contemplated that the M&P will as soon as possible after the date hereof obtain seven (7) additional Cars for inclusion in the CN Assignments. As a condition precedent to the inclusion of such additional cars in the CN Assignments, 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_____

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_____

UNION-TIDEWATER FINANCIAL COMPANY, INC.

By_____

WILMINGTON TRUST COMPANY, as agent

By_____

0541E

EXHIBIT D

CN5

MARYLAND AND PENNSYLVANIA RAILROAD COMPANY

September 16, 1985

Mr. James H. Alford
Car Management Liaison Officer
CANADIAN NATIONAL RAILWAYS
935 de La Gauchetiere St. West
Montreal, Quebec H3B 2M9

Re: 100 Boxcars Under Letter Agreement dated 5/13/83
100 Boxcars Under Letter Agreement dated 5/2/84
99 Boxcars Under Letter Agreement dated 12/21/79
and revised 10/12/81

Dear Jim:

The following represents an amendment to the above-referenced Canadian National Railways ("CN)/Maryland and Pennsylvania Railroad Company ("MPA") boxcar agreements.

As of September 1, 1985, all of the above-mentioned MPA-marked cars (see attached sheets for listing of all individual car numbers) will be free of any car hire charges and minimum payments while on the CN.

Enclosed is a revised Boxcar Loading Fee Schedule that will include all of the above-referenced cars as of September 1, 1985. Loading fees will be paid on each car provided that the MPA receives off-line car hire earnings in excess of the loading fee on each round trip loading. Should the off-line car hire earnings for each car's round trip be less than the loading fee on the Boxcar Loading Fee Schedule for a particular destination state, no fee would be paid. The revision of the loading fee schedule and elimination of car hire minimums will be for an initial 90-day trial period.

CN agrees to use its best efforts to load the MPA cars off CN's lines for international service to maximize both loading fees to CN and off-line earnings to MPA.

Both CN and the MPA will be able to assess the performance and make mutually agreeable adjustments for longer term arrangements for the continued satisfaction to all parties concerned at the end of the trial period. After the initial trial period, this amendment shall continue subject to cancellation upon 30 days' written notice given by either party to the other.

If the above meets with your approval and our understanding, kindly indicate your concurrence by signing this letter in the space provided below, returning one fully signed copy to us for our records.

Thank you very much for your continued cooperation and assistance.

Very truly yours,

Michael A. Teruggi
Vice President

MAT:fmy

Enclosures

cc: Mr. R. F. Ruggiero, Asst. Chief of Transportation, Canadian National Railways
Mr. R. Wilfong, Car Management Liaison Officer, Canadian National Railways
Mr. T. F. Kealey, Vice President, Maryland and Pennsylvania Railroad Company

ACCEPTED AND AGREED TO:

CANADIAN NATIONAL RAILWAYS

BY: R F Ruggiero

TITLE: Asst Chief of Transportation CN

DATE: Sept 26 - 1985.

Maryl d & Pennsylvania Railr d
BOXCAR LOADING FEE SCHEDULE
TO CANADIAN NATIONAL RAILWAYS
$/Loaded Fifty Foot Boxcar

U. S. Destination	Current Fee to CN	Effective 9/1/85 Fee to CN *
Alabama	238	119
Arizona	158	79
Arkansas	200	100
California	109	55
Colorado	137	69
Connecticut	256	128
Delaware	249	125
District of Columbia	245	123
Florida	280	140
Georgia	249	125
Idaho	81	41
Illinois	179	90
Indiana	200	100
Iowa	161	81
Kansas	165	83
Kentucky	214	107
Louisiana	231	116
Maine	266	133
Maryland	245	123
Massachusetts	256	128
Michigan	200	100
Minnesota	140	70
Mississippi	224	112
Missouri	186	93
Montana	77	39
Nebraska	147	74
Nevada	109	55
New Hampshire	259	130
New Jersey	256	128
New Mexico	158	79
New York	242	121
North Carolina	249	125
North Dakota	105	53
Ohio	217	109
Oklahoma	182	91
Oregon	60	30
Pennsylvania	238	119
Rhode Island	263	132
South Carolina	256	128
South Dakota	116	58
Tennessee	214	107
Texas	217	109
Utah	105	53
Vermont	256	128
Virginia	252	126
Washington	28	14
West Virginia	235	118
Wisconsin	172	86
Wyoming	105	53

* - FEES TO BE PAID PER CAR PER ROUND TRIP; PROVIDED, HOWEVER, THAT THE MARYLAND AND PENNSYLVANIA RAILROAD RECEIVES EARNINGS IN

CANADIAN NATIONAL - AGENT POOL , BC on CN (1st Rebuild)

MPA-31035	MPA-37981
31055	37982
31079	37994
37715	38101
37716	38102
37731	38108
37734	38117
37741	38118
37742	38121
37833	38122
37835	38123
37836	38127
37843	38130
37847	38131
37876	39892
37878	39894
37881	39896
37894	39899
37905	39900
37908	39903
37909	39909
37911	39910
37915	39911
37916	39918
37920	39919
37924	39920
37929	39922
37930	39928
37931	39946
37936	39948
37938	39949
37939	39950
37940	39953
37942	39955
37943	39957
37945	39958
37946	39961
37949	39963
37952	39964
37955	39965
37958	39966
37959	39969
37961	39970
37963	39973
37967	39975
37969	39976
37970	39977
37971	39978
37976	39979
37978	39989

TOTAL = 100

CANADIAN NATIONAL - AGENT POOL, BC ON CN (2nd Rebate)

MPA- 37714	MPA- 37960	MPA- 39923
37717	37973	39926
37718	37975	39929
37719	37979	39945
37721	37989	39952
37727	37990	39954
37728	37992	39960
37733	37995	39962
37736	37997	39972
37739	37998	39981
37743	37999	39983
37745		39984
37748	38100	39987
37749	38103	39991
37781	38104	39999
	38105	
37826	38106	
37827	38109	
37829	38111	
37831	38113	
37832	38114	
37837	38115	
37839	38124	
37840	38125	
37842	38126	
37885	38132	
37886		
37887	39880	
37888	39881	
37891	39883	
37892	39885	
37895	39887	
	39890	
37900	39893	
37904	39897	
37906	39898	
37910		
37912	39902	
37917	39905	
37927	39906	
37928	39907	
37932	39912	
37947	39914	
37948	39915	
37953	39921	

TOTAL = 100

ONTARIO PAPER, THOROLD, ONTARIO on CN

39780
39781
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Total = 99

MARYLAND AND PENNSYLVANIA RAILROAD COMPANY

May 5, 1983

Mr. R. F. Ruggerio
Asst. Chief - Transportation
Canadian National Railways
CN Headquarters Building
Box 8100
Montreal, Quebec H3C 3N4

Dear Bob:

The Maryland and Pennsylvania Railroad ("M&P") is pleased to offer to assign one hundred (100) of its fifty foot, XP boxcars to the Canadian National Railways ("CN"). The boxcars we offer ("Boxcars") are suitable for wood pulp and/or paper service. Car numbers are listed on an attached schedule. Details of our offer are these:

1. The Boxcars would be assigned to a shippers pool or agents pool on CN at or near Prince George, British Columbia ("Assignment Point") for use in international service.

2. CN would be responsible for administration of pool documentation with the Association of American Railroads.

3. M&P would be financially responsible for all maintenance expenses incurred in the ordinary operation of the Boxcars.

4. M&P would be financially responsible for causing the removal of paint flecks from the interior roof of each Boxcar.

5. M&P would cause each Boxcar to be delivered to a Grand Trunk Western interchange in Chicago, Illinois.

6. CN would be responsible for causing each Boxcar to be moved from Chicago, Illinois to the Assignment Point.

7. While on CN tracks, each Boxcar would be free of per diem and mileage charges.

400 EAST MARKET STREET, YORK, PENNSYLVANIA 17403 TELEPHONE (717) 848-2877

8. Each time one of the Boxcars is loaded at the Assignment Point to one of the destinations listed on the attached "Boxcar Loading Fee Schedule", M&P will pay CN the appropriate fee shown on that Schedule. Such payments will be made in U.S. funds within forty-five days of M&P's receipt from CN of definitive documentation demonstrating the event of a Boxcar loading and showing that Boxcar's destination.

9. In the event of major damage to any Boxcar; or for other reasons as we may agree, M&P will substitute similar XP equipment for each affected Boxcar.

10. This arrangement may be cancelled upon thirty days written notice, initiated by either party.

Bob, if this proposal is acceptable to the Canadian National Railways, please so indicate by signing one copy of this letter and returning it to me. Thank you for this opportunity to be of service.

Sincerely,

John H. Rubel
Vice President

JHR:jw

AGREED AND ACCEPTED:

By R. F. Ruggerio Asst Chief Transp-eM. CN Rail

Date May 13 - 1983

SCHEDULE OF CAR NUMBERS

MPA 31000
MPA 31001
MPA 31003
MPA 31004
MPA 31005
MPA 31006
MPA 31007
MPA 31008
MPA 31009
MPA 31010
MPA 31011
MPA 31012
MPA 31013
MPA 31014
MPA 31015
MPA 31016
MPA 31017
MPA 31018
MPA 31019
MPA 31020
MPA 31021
MPA 31022
MPA 31023
MPA 31024
MPA 31026
MPA 31027
MPA 31028
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MPA 31090
MPA 31091
MPA 31092
MPA 31093
MPA 31094
MPA 31095
MPA 31096
MPA 31097
MPA 31098
MPA 31099
MPA 37926
MPA 39995
MPA 39997

5/5/83

Prince George, British Columbia

PLAN THREE

Emons Industries, Inc.

BOXCAR LOADING FEE SCHEDULE TO CANADIAN NATIONAL RAILWAYS

$/Loaded Fifty Foot Boxcar

U.S. Destination	Fee to CN
Alabama	340
Arizona	225
Arkansas	285
California	155
Colorado	195
Connecticut	365
Delaware	355
District of Columbia	350
Florida	400
Georgia	355
Idaho	115
Illinois	255
Indiana	285
Iowa	230
Kansas	235
Kentucky	305
Louisiana	330
Maine	380
Maryland	350
Massachusetts	365
Michigan	285
Minnesota	200
Mississippi	320
Missouri	265
Montana	110
Nebraska	210
Nevada	155
New Hampshire	370
New Jersey	365
New Mexico	225
New York	345
North Carolina	355
North Dakota	150
Ohio	310
Oklahoma	260
Oregon	85
Pennsylvania	340
Rhode Island	375
South Carolina	365
South Dakota	165
Tennessee	305
Texas	310
Utah	150
Vermont	365
Virginia	360
Washington	40
West Virginia	335
Wisconsin	245
Wyoming	150

5/5/83

MARYLAND AND PENNSYLVANIA RAILROAD COMPANY

April 2, 1984

Mr. R. F. Ruggiero
Asst. Chief of Transportation -
Car Management
Canadian National Railways
CN Headquarters Building
Box 8100
Montreal, Quebec H3C 3N4

Dear Bob:

The Maryland and Pennsylvania Railroad ("M&P") is pleased to offer to assign one hundred (100) of its fifty foot, seventy ton, Plate C, XP boxcars to the Canadian National Railways ("CN"). The boxcars we offer ("Boxcars") are suitable for wood pulp and/or paper service. (See attached Schedule A for listing of the 100 car numbers.) Details of our offer are these:

1. The Boxcars would be assigned to a shippers pool or agents pool on CN at or near Prince George, British Columbia ("Assignment Point") for use in international service.

2. CN would be responsible for administration of pool documentation with the Association of American Railroads.

3. M&P would be financially responsible for all maintenance expenses incurred in the ordinary operation of the Boxcars.

4. M&P would be financially responsible for causing the removal of paint flecks from the interior roof of each Boxcar.

5. While on CN tracks, each Boxcar would be free of per diem and mileage charges.

6. Each time one of the Boxcars is loaded at the Assignment Point to one of the destinations listed on the attached "Boxcar Loading Fee Schedule", M&P will pay CN the appropriate fee shown on that Schedule. Such payments will be made in U.S. funds within forty-five days of M&P's receipt from CN of definitive documentation demonstrating the event of a Boxcar loading and showing that Boxcar's destination.

7. In the event of major damage to any Boxcar; or for other reasons as we may agree, M&P will substitute similar XP equipment for each affected Boxcar.

8. Boxcars are prepared to CN Class "A" boxcar classification with the exception of floor caulking and cob blasting. M&P will do this work in M&P shops at the rate of 12 to 15 cars per week, with the first of the Boxcars being ready for commencement of delivery the week of April 2, 1984. CN has the right to inspect the Boxcars before commencement of delivery.

9. M&P would be financially responsible for the delivery of the Boxcars to CN lines at Fort Erie, Ontario.

10. This arrangement may be cancelled upon thirty days written notice, initiated by either party.

Bob, if this proposal is acceptable to the Canadian National Railways, please so indicate by signing one copy of this letter and returning it to me. Thank you for this opportunity to be of service.

Sincerely,

Michael A. Teruggi
Vice President - Sales

MAT:fmy

AGREED AND ACCEPTED:

CANADIAN NATIONAL RAILWAYS

BY: R F Ruggiero

DATE: May 02 - 1984

SCHEDULE A

ONE HUNDRED CARS FOR CN

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Office of V. P. & C. M. O.
3/15/84

Emons Industries, Inc.

BOXCAR LOADING FEE SCHEDULE
TO CANADIAN NATIONAL RAILWAYS

$/Loaded Fifty Foot Boxcar

U.S. Destination	Fee to CN	
Alabama	340	238.00
Arizona	225	157.50
Arkansas	285	199.50
California	155	108.50
Colorado	195	136.50
Connecticut	365	255.50
Delaware	355	248.50
District of Columbia	350	245.00
Florida	400	280.00
Georgia	355	248.50
Idaho	115	80.50
Illinois	255	178.50
Indiana	285	199.50
Iowa	230	161.00
Kansas	235	164.50
Kentucky	305	213.50
Louisiana	330	231.00
Maine	380	266.00
Maryland	350	245.00
Massachusetts	365	255.50
Michigan	285	199.50
Minnesota	200	140.00
Mississippi	320	224.00
Missouri	265	185.50
Montana	110	77.00
Nebraska	210	147.00
Nevada	155	108.50
New Hampshire	370	259.00
New Jersey	365	255.50
New Mexico	225	157.50
New York	345	241.50
North Carolina	355	248.50
North Dakota	150	105.00
Ohio	310	217.00
Oklahoma	260	182.00
Oregon	85	59.50
Pennsylvania	340	238.00
Rhode Island	375	262.50
South Carolina	365	255.50
South Dakota	165	115.50
Tennessee	305	213.50
Texas	310	217.00
Utah	150	105.00
Vermont	365	255.50
Virginia	360	252.00
Washington	40	28.00
West Virginia	335	234.50
Wisconsin	245	171.50
Wyoming	150	105.00

3/13/84
MAT

CNRC

MARYLAND AND PENNSYLVANIA RAILROAD COMPANY

October 12, 1981

Mr. R. F. Ruggiero
Assistant Chief of Transportation
Canadian National Rail
P. O. Box 8100
Montreal, Quebec H3C 3N4

Dear Bob:

In reviewing our files, we seem to be missing an agreement signed by both of us regarding the boxcars assigned to Canadian National. We agreed that when we took the cars back to repair, that those cars that were repaired would remain in the paper pool at Thorold under the terms and conditions of our agreement of December 21, 1979. The cars are as follows:

MPA-39800	MPA-39820	MPA-39839
MPA-39802	MPA-39822	MPA-39842
MPA-39806	MPA-39823	MPA-39851
MPA-39816	MPA-39832	MPA-39863
MPA-39818	MPA-39833	MPA-39872
MPA-39819	~~MPA-39835~~ Wrecked	MPA-39873

The balance of the boxcars on Canadian National are assigned to Belleville, Ontario, per diem free on line.

If the above meets with your approval, would you kindly execute your acceptance of our understanding in the space provided and return a copy to me for my files.

Thank you for your help in this matter.

Very truly yours,

Joseph W. Marino
President

JWM:fmy

AGREED AND ACCEPTED:

CANADIAN NATIONAL RAIL

By: _____

400 EAST MARKET STREET, YORK, PENNSYLVANIA 17403 TELEPHONE (717) 848-2877

CN BC

MARYLAND AND PENNSYLVANIA RAILROAD COMPANY

October 12, 1981

Mr. Ralph L. Wilfong
Car Management Liaison Officer
Canadian National
P.O. Box 8100
935 de La Gauchetiere St. West
Montreal, Quebec H3C 3N4

Dear Ralph:

It has been determined that all cars referred to in the letter agreement dated December 21, 1979 were delivered to Canadian National as of February 3, 1980. Therefore, the agreement is effective as of February 3, 1980.

Please attach this letter to the letter agreement of December 21, 1979.

Very truly yours,

Joseph W. Marino
President

JWM:fmy

AGREED TO AND ACCEPTED:

CANADIAN NATIONAL

By: _____

100 EAST MARKET STREET, YORK, PENNSYLVANIA 17403 TELEPHONE (717) 848-2877

CN · DC

Emma JWM 750

Operations

CN RAIL
Box 8100, Montreal, Quebec
H3C 3N4

D.L. Fletcher
Chief of Transportation

Exploitation

CN RAIL
C.P. 8100, Montréal, Québec
H3C 3N4

D.L. Fletcher
Chef du transport

JAN 0 2 1980

RECEIVED

Reference 6280-7 N/réf.

21 December 1979

Mr. J.W. Marino
Vice-President
Maryland and Pennsylvania RR Co.
490 East Market Street
York, Pa. 17403

Dear Mr. Marino:

As per our recent meetings, conversations and telephone call of 13 December 1979, the following is an understanding covering the supply to CN by your railroad of one hundred 50 ft. 70-ton rigid underframe box cars with mechanical designation XP and having MPA reporting marks.

It is agreed that these cars will be made available by the Maryland and Pennsylvania Railroad to CN Rail F.O.T. Fort Erie, Ont.

Although there are no commitments as to the duration of the availability of the cars or the need of the cars by either party, it is the intention of both parties that these cars will be made available and used for a five-year period, subject to extension beyond five years if required.

It is the intention of CN Rail to place these cars in assigned service at Thorold, Ont. for newsprint loading routed via CN/GTW to U.S. destinations. These cars will be subject to all applicable A.A.R. Car Service Rules. In the event that cars are no longer required at Thorold, Ont., either temporarily or permanently, CN Rail will endeavour to place them in alternative service where they will be able to be used to originate traffic to U.S. points. Failing to be able to do so, CN Rail will advise the Maryland and Pennsylvania Railroad and request instructions for the disposition of cars under the provisions of CSR-16. In this regard, CN Rail will be the sole judge as to whether or not the use of the cars is required. Pending disposition instructions from the Maryland and

.../2

Pennsylvania Railroad, CN Rail will store these cars without charge for up to 90 days. In the event the Maryland and Pennsylvania Railroad requires more time for the storage of these cars, a reasonable storage charge will be negotiated between CN Rail and the Maryland and Pennsylvania. During times of storage, all car hire payments will cease as to such cars.

CN Rail makes no representations or warranties as to the elegibility of these cars for accelerated Asset Depreciation Range (or otherwise) and Investment Tax Credits under the U.S. Income Tax Code and will offer no indemnities with respect thereto. In the event these cars become subject to any U.S. or Canadian taxes not now contemplated, CN Rail and the Maryland and Pennsylvania Railroad will use their best efforts to resolve said tax liability. Failure to do so will enable either party to negate this understanding on advice to the other party.

During the period of time that these cars move over the lines of CN Rail as well as any other railroad, car hire according to A.A.R. Rules will be paid to the Maryland and Pennsylvania Railroad. The only exception to this will be that the Maryland and Pennsylvania Railroad will allow a per diem reclaim of up to 100 hours per car per month to CN Rail. This special reclaim given to CN Rail will be based on the actual hours accrued and will be requested by CN Rail via a special reclaim report.

This per diem arrangement does not constitute a lease and is effective with the delivery of cars at Fort Erie, Ont. with notice being given to CN Rail that they are available for service.

It is also agreed that any car requiring light repairs also damaged or destroyed cars will be handled under the provisions of the A.A.R. Interchange Rules.

Any notices required to be given shall be in writing:

If to CN Rail:	If to Maryland & Pennsylvania RR Co.:
Asst. Chief of Transp. Car Management CN Rail Montreal	President Maryland & Pennsylvania RR Co. York, Pa.

.../3

Please return copy of this letter signed as acceptance of this agreement.

Very truly yours,

R.F. Ruggiero

R.F. Ruggiero
Asst. Chief of Transportation -
Car Management

cc: Mr. J.H. Alford, Manager Car Accounts, Montreal
-- Attention: Mr. G. Piché

Will advise car series when received in order for you to present special reclaim and monitoring procedures.