



Emons Industries, Inc.

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RECORDATION NO. _____ FILED 1425
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INTERSTATE COMMERCE COMMISSION

November 20, 1987

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INTERSTATE COMMERCE COMMISSION

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

Dear Ms. Lee:

I am enclosing the following documents to be recorded:

1. Original and a copy of Agreement between the Maryland and Pennsylvania Railroad Company and Burlington Northern Railroad Company for 33 boxcars.
2. Original and a copy of a Lease of Railroad Equipment between Signet Leasing and Financial Corporation and the Maryland and Pennsylvania Railroad Company for 33 boxcars.
3. Original and a copy of a Security Agreement between Signet Leasing and Financial Corporation and the Maryland and Pennsylvania Railroad Company.

Also enclosed is a check in the amount of \$30.00 (\$10.00 for each document) to cover the costs of filing. I understand that all original documents will be returned to me with the recordation information noted thereon within about a week.

Please let me know if you have any questions regarding this matter.

Very truly yours,

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

Enclosures

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SECURITY AGREEMENT

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT dated as of October 28, 1987, between SIGNET LEASING AND FINANCIAL CORPORATION, a Maryland corporation with an office at 7 St. Paul Street, Baltimore, Maryland 21202 ("Signet") and the MARYLAND AND PENNSYLVANIA RAILROAD COMPANY, a Maryland and Pennsylvania corporation with an office at One West Market Street, York, PA 17401 (the "Company").

W I T N E S S E T H:

Pursuant to an Agreement (the "BN Agreement") dated as of the date hereof between Burlington Northern Railroad Company ("BN") and the Company, the Company is providing to BN thirty-three (33) boxcars (the "Cars").

Pursuant to a Lease of Railroad Equipment (the "Lease") dated as of the date hereof between Signet, as lessor, and the Company, as lessee, the Company has agreed to hire the Cars from Signet with the understanding that the Cars will be subleased to BN pursuant to the BN Agreement.

NOW, THEREFORE, the parties hereto agree:

(1) As an inducement to Signet to execute the Lease and to consent to, among other things, the use of the Cars under the BN Agreement (and in consideration thereof), the Company hereby sells, assigns, transfers, pledges and sets over unto Signet, all of the Company's right, title and interest in and to the BN Agreement and in and to revenue to become due and payable from time to time under the BN Agreement, and the proceeds thereof, as collateral security for the payment and performance of all obligations and duties of the Company to Signet arising under or by virtue of the Lease.

(2) Upon the occurrence of any Event of Default (as such term is defined in the Lease) by the Company, unless such Event of Default shall have been waived by Signet, Signet shall have the right, upon giving BN notice of such default, but without notice to or consent of the Company, to instruct BN to pay all Net Car Hire Revenues (as such term is defined below) to Signet. For purposes hereof, the term "Net Car Hire Revenues" means Car Hire Revenues (as such term is defined in the BN Agreement) minus the aggregate cost of any expenses relating to the Cars paid by the Company pursuant to the Lease or the BN Agreement.

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

ATTEST:

SIGNET LEASING AND FINANCIAL CORPORATION

W. Eugene Luther

BY: *Audrey Kaplan*

ATTEST:

THE MARYLAND AND PENNSYLVANIA RAILROAD COMPANY

 *James W. Will*
Secretary

BY: *Frank W. V.P.*

