



Emons Industries, Inc.

Date 2/29/88
Fee \$ 39.00
ICC Washington, D. C.

RECORDATION NO. 1 5515/B Filed & Recorded

February 18, 1988
FEB 29 1988 3-0 5 AM
INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 1 5515/A Filed & Recorded

FEB 29 1988 3-0 5 AM

INTERSTATE COMMERCE COMMISSION
RECORDATION NO. 5515 Filed & Recorded

FEB 29 1988 3-0 5 AM

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, as user, for 11 boxcars.

2. Original and a copy of a Lease of Railroad Equipment between E. T. Railcar Corporation, as Lessor, and the Maryland and Pennsylvania Railroad Company, as Lessee, for 11 boxcars.

3. Original and a copy of a Security Agreement between E. T. Railcar Corporation, as secured party, and the Maryland and Pennsylvania Railroad Company.

Also enclosed is a check in the amount of \$39.00 (\$13.00 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

Interstate Commerce Commission
Washington, D.C. 20423

3/1/88

OFFICE OF THE SECRETARY

Florence M. Yatchisin
Emons Industries, Inc.
1 West Market Street
York Pennsylvania 17401-1231

Dear

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 2/29/88 at 3:05pm, and assigned recordation number(s). 15515, 15515A & 15515-B

Sincerely yours,

Nerita L. McEneaney

Secretary

Enclosure(s)

SECURITY AGREEMENT

FEB 29 1988 3-05 PM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT dated as of December 11, 1987, between E. T. RAILCAR CORPORATION, a Delaware corporation with an office at 3224 Skycroft Drive, Minneapolis, Minnesota 55418 ("ET") 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 eleven (11) boxcars (the "Cars").

Pursuant to a Lease of Railroad Equipment (the "Lease") dated as of the date hereof between ET, as lessor, and the Company, as lessee, the Company has agreed to hire the Cars from ET 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 ET 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

(i) sells, assigns, transfers, pledges and sets over unto ET, 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, and

(ii) grants to ET a security interest in all accounts of the Company arising from the use of the Cars in the BN Agreement,

in each case as collateral security for the payment and performance of all obligations and duties of the Company to ET 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 ET, ET shall have the right, upon giving BN notice of such default, but without notice to or consent of the Company:

(i) to instruct BN to pay to ET any amounts payable by BN to the Company pursuant to the BN Agreement;

(ii) to instruct the Company to segregate and pay immediately to ET any Net Car Hire Revenues (as such term is defined below) received by the Company pursuant to the BN Agreement; and

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

For purposes hereof, the term "Net Car Hire Revenues" means Gross 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.

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

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

ATTEST:

E. T. RAILCAR CORPORATION

Mary A. Leppa

By: Howard E. Leppa
PRESIDENT

ATTEST:

THE MARYLAND AND PENNSYLVANIA
RAILROAD COMPANY

James W. White
Secretary

By: Paul D. Meyer
VICE PRESIDENT

STATE OF Minnesota :
 :ss.:
COUNTY OF Hennepin :

On the 29th day of December, 1987, before me personally appeared Howard E. Leppla to me personally known, who, being by me duly sworn, says that he/she is the President of E. T. Railcar Corporation, one of the corporations in the foregoing Security Agreement, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

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■  ■
MARY A. LEPPLA
NOTARY PUBLIC—MINNESOTA
HENNEPIN COUNTY
My Commission Expires 3-17-94
■~~~~~■

Mary A. Leppla
Notary Public

COMMONWEALTH OF PENNSYLVANIA:
 :ss.:
COUNTY OF York :

On the 8 day of January, 1988, before me personally appeared Richard E. Meyers to me personally known, who, being by me duly sworn, says that he is the Vice President of The Maryland and Pennsylvania Railroad Company, 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.

Annamarie Wileczek
Notary Public

ANNAMARIE WILECZEN, Notary Public
York, York County, Pennsylvania
My Commission Expires April 16, 1990