

VEDDER, PRICE, KAUFMAN, KAMMHOLZ & DAY
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
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May 9, 1983

RECORDATION NO. 14014
MAY 10 1983 - 2 25 PM
INTERSTATE COMMERCE COMMISSION

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RECORDATION NO. 14014
MAY 10 1983 - 2 25 PM
INTERSTATE COMMERCE COMMISSION

3-1301042

No.
Date MAY 10 1983
Fee \$... 50.00

ICC Washington, D. C.

Mrs. Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Re: Primary Document Recordation:
Equipment Lease and Guaranty

Dear Mrs. Mergenovich:

I have enclosed an original and one counterpart of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is an equipment lease agreement and accompanying guaranty, a primary document, dated April 1, 1983.

The names and addresses of the parties to the document are as follows:

LESSOR: United States Rail Services, Inc. (Successor agent to United States Leasing Corporation)
633 Battery Street
San Francisco, CA 94111
(as agent for D.E. Mundell and David A. Summers (successor trustee to Donovan S. Thayer), as Trustees under a Trust Agreement dated as of October 20, 1967).

LESSEE: McHugh Brothers Heavy Hauling, Inc.
Operator and Lessor of New Hope and Ivyland Railroad Company
P.O. Box 196
Penndel, PA 19047

A. ...
Doris ...

Mrs. Agatha L. Mergenovich
May 9, 1983
Page Two

GUARANTOR: McHugh Brothers Crane Rentals, Inc.
P.O. Box 196
Penndel, PA 19047

A description of the equipment covered by the document follows:

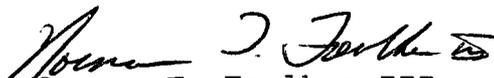
One (1) 3000 HP Model U30B Diesel Electric Locomotive, bearing identifying Road Number 2880.

A fee of \$50.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to Norman T. Fowlkes III, at the address shown above.

A short summary of the document to appear in the index follows:

Equipment Lease Agreement, between United States Rail Services, Inc., 633 Battery Street, San Francisco, CA 94111, lessor, as agent for D.E. Mundell and David A. Summers, Trustees; McHugh Brothers Heavy Hauling, Inc., P.O. Box 196, Penndel, P A, 19047, lessee; McHugh Brothers Crane Rental, Inc., P.O. Box 196, Penndel, PA 19047, guarantor; dated April 1, 1983, and covering one (1) 3000 HP Model U30B Diesel Electric Locomotive, Road Number 2880.

Very truly yours,


Norman T. Fowlkes III
Counsel for the Parties

NTF/bmh

Enclosures
cc: James McHugh

RECORDATION NO. 14014-A

MAY 10 1983 - 2 35 PM

INTERSTATE COMMERCE COMMISSION

GUARANTY

1. For valuable consideration, receipt of which is hereby acknowledged, the undersigned (hereinafter called "Guarantors") hereby jointly and severally unconditionally guarantee and promise on demand (1) to pay D. E. MUNDELL and DAVID A. SUMMERS, as Trustees and UNITED STATES RAIL SERVICES, INC., a California corporation, as their agent (hereinafter called "Lessor") in lawful money of the United States all rents and all other sums reserved in all leases, including leases now or at any time hereafter entered between Lessor and MCHUGH BROTHERS HEAVY HAULING, INC., Operator and Lessee of New Hope & Ivyland Railroad Company (hereinafter called "Lessee"), as lessee, including all schedules between Lessor and Lessee now or at any time hereafter made a part of any such lease or leases (any one or all of said leases together with any one or all of said schedules thereto, are hereinafter individually and collectively called "Lease"), in the amounts, at the times and in the manner set forth in the Lease, and (2) to perform, at the time and in the manner set forth in the Lease, all of the terms, covenants and conditions therein required to be kept, observed or performed by Lessee, (3) to pay all debts, liabilities and other amounts, due or to become due to Lessor, liquidated or unliquidated, under all bills of sale, evidences of indebtedness, contracts, or any other instruments or security to which Lessor and Lessee are parties or in which obligations run from Lessee to Lessor or which are delivered to Lessor in connection with the leasing transaction or transactions contemplated by the Lease (all of which bills of sale, evidences

of indebtedness, contracts, other instruments and security are hereinafter collectively called "Other Agreements") and (4) to perform, at the times and in the manner set forth in the Other Agreements, all of the terms, covenants and conditions therein required to be kept, observed or performed by Lessee. Guarantors shall pay all of the foregoing amounts and perform all of the foregoing terms, covenants and conditions notwithstanding that the Lease or any of the Other Agreements shall be void or voidable as against Lessee or any of Lessee's creditors, including a trustee in bankruptcy of Lessee, by reason of any fact or circumstance including, without limiting the generality of the foregoing, failure by any person to file any document or to take any other action to make the Lease or any of the Other Agreements enforceable in accordance with their terms.

2. This guaranty is a continuing one and shall terminate only upon full payment of all rents and all other sums due under the Lease and the Other Agreements and the performance of all of the terms, covenants and conditions therein required to be kept, observed or performed by the Lessee, including such payment and performance under schedules made a part of said Lease after the satisfaction of all obligations under the Lease and all earlier schedules thereto.

3. Guarantors authorize Lessor, without notice or demand, and without affecting their liability hereunder, from time to time to: (a) change the amount, time or manner of payment of rent or other sums reserved in the Lease and Other Agreements; (b) change any of the terms, covenants, conditions or

provisions of the Lease and Other Agreements; (c) amend, modify, change or supplement the Lease and Other Agreements; (d) assign the Lease and Other Agreements or the rents and other sums payable under the Lease and Other Agreements; (e) consent to Lessee's assignment of the Lease and Other Agreements or to the sublease of all, or any portion, of the property covered by the Lease; (f) take and hold security for the payment of this guaranty or the performance of the Lease and Other Agreements, and exchange, enforce, waive and release any such security; (g) apply such security and direct the order of manner of sale thereof as Lessor in its discretion may determine; and (h) release or substitute any one or more of the Guarantors. Lessor may without notice assign this guaranty in whole or in part. Guarantors shall not assign this guaranty without the prior written consent of Lessor.

4. Guarantors waive any right to require Lessor to: (a) proceed against Lessee; (b) proceed against or exhaust any security held from Lessee; (c) pursue any other remedy in Lessor's power whatsoever; or (d) notify Guarantors of any default by Lessee in the payment of any rent or other sums reserved in the Lease or Other Agreements or in the performance of any term, covenant or condition therein required to be kept, observed or performed by Lessee. Guarantors waive any defense arising by reason of any disability or other defense of Lessee or by reason of the cessation from any cause whatsoever of the liability of Lessee. Until the payment of all rents and all other sums due under the Lease and Other Agreements and the performance of all

of the terms, covenants and conditions therein required to be kept, observed or performed by Lessee, Guarantors shall have no right of subrogation, and waive any right to enforce any remedy which Lessor now has or may hereafter have against Lessee, and waive any benefit of, and any right to participate in any security now or hereafter held by Lessor. Guarantors waive all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, and notices of acceptance of this guaranty.

5. Guarantors agree to pay reasonable attorneys' fees and all other costs and expenses which may be incurred by Lessor in the enforcement of this guaranty.

6. The obligations of the undersigned hereunder are joint and several and are independent of the obligations of Lessee. A separate action or actions may be brought and prosecuted against Guarantors, or any of them, whether an action is brought against Lessee or whether Lessee be joined in any such action or actions; and Guarantors waive the benefit of any statute of limitations affecting their liability hereunder or the enforcement thereof.

7. If there is but a single Guarantor, then all words used herein in the plural shall be deemed to have been used in the singular where the context and construction so require; and if this guaranty is executed by more than one Guarantor, the word "Guarantors" shall mean all and any one or more of them.

8. This guaranty shall inure to the benefit of Lessor, its successors and assigns, and shall be binding upon the heirs,

personal representatives, successors and assigns of each of the Guarantors.

IN WITNESS WHEREOF the undersigned corporation has duly executed this guaranty as of April 1, 1983.

MCHUGH BROTHERS CRANE RENTALS,
INC.

(SEAL)

By: *Seneca J. McHugh*
its *President*

ATTEST:

By: *Jane J. McHugh*
its *Secretary-Treasurer*