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LAW OFFICES  
ALVORD AND ALVORD

ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

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ALBERT H. GREENE  
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JOHN H. DOYLE  
MILTON C. GRACE\*  
GEORGE JOHN KETO\*\*  
RICHARD N. BAGENSTOS

\* NOT A MEMBER OF D.C. BAR  
\*\* ALSO A MEMBER OF OHIO BAR

200 WORLD CENTER BUILDING  
918 SIXTEENTH STREET, N.W.  
WASHINGTON, D.C.  
20006

RECORDATION NO. 7556-F Filed 1425  
MAY 6 1980 - 11 00 AM

OF COUNSEL  
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TELEPHONE  
AREA CODE 202  
393-2266

INTERSTATE COMMERCE COMMISSION

May 6, 1980

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RECORDATION NO. 7556-B Filed 1425  
MAY 6 1980

Agatha L. Mergenovich, Secretary  
Interstate Commerce Commission  
Washington, D.C. 20434

MAY 6 1980 - 11 00 AM

INTERSTATE COMMERCE COMMISSION CC Washington, D.C.

Dear Madam:

Enclosed for recordation pursuant to the provisions of Section 11303(a) of Title 49 of the United States Code and the regulations thereunder are three counterparts each of 1) Amendment to Chattel Mortgage and Security Agreement dated May 6, 1980 and 2) Subordination Agreement dated May 6, 1980 ("Documents").

The Documents relate to a Chattel Mortgage and Security Agreement dated June 21, 1974 between Emons Leasing Co., Inc. and Central Penn National Bank which was filed and recorded at 10:00 a.m. on July 1, 1974 and assigned Recordation Number 7556-B.

A general description of the railroad equipment covered by the Documents is set forth in Exhibit A attached to this letter and made a part hereof.

The names and addresses of the parties to the Documents are:

Amendment to Chattel Mortgage and Security Agreement

Mortgagor: Emons Leasing Co., Inc.  
490 East Market Street  
York, Pennsylvania 17403

Mortgagee (Bank): Central Penn National Bank  
Five Penn Center Plaza  
Philadelphia, Pennsylvania 19101

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Agatha L. Mergenovich, Secretary  
May 6, 1980  
Page Two

Subordination Agreement

Conditional Vendee: Maryland and Pennsylvania Railroad  
Company  
490 East Market Street  
York, Pennsylvania 17403

Mortgagee: Central Penn National Bank  
Five Penn Center Plaza  
Philadelphia, Pennsylvania 19103

The undersigned is agent for Central Penn National Bank for the purpose of recording the Documents and has knowledge of the matters set forth therein.

Please return the counterparts of the Documents not needed for recordation purposes to Charles T. Kappler, Esq., Alvord and Alvord, 200 World Center Building, Washington, D.C. 20006.

Also enclosed is a remittance in the amount of \$60.00 in payment of the required recordation fee.

Very truly yours,

ALVORD AND ALVORD

By Charles T. Kappler  
Charles T. Kappler

7556-6

RECORDATION NO. 7556-11 Filed 1425

SUBORDINATION AGREEMENT

MAY 6 1980 - 11 00 AM

(Regarding Chattel Mortgage dated June 21, 1974) STATE COMMERCE COMMISSION

SUBORDINATION AGREEMENT made on this 6<sup>th</sup> day of May, 1980, between MARYLAND AND PENNSYLVANIA RAILROAD CO., a Maryland and Pennsylvania corporation with an office at 490 East Market Street, York, Pennsylvania ("Railroad"), and CENTRAL PENN NATIONAL BANK, a national banking association with its principal office at 5 Penn Center Plaza, Philadelphia, Pennsylvania (the "Bank").

WHEREAS, Emons Industries, Inc., a New York corporation ("Industries"), as lessor, and Railroad, as lessee, have entered into a Lease of Railroad Equipment, dated April 18, 1980 (the "Lease"), pursuant to which Industries has agreed to let to Railroad eighty-four railroad gondola freight cars (the "Cars");

WHEREAS, Industries intends to finance the acquisition of the Cars with the proceeds of a loan from the Bank pursuant to a Loan and Security Agreement, dated as of April 18, 1980, between Industries and the Bank;

WHEREAS, Emons Leasing Co., Inc., a New Jersey corporation ("Leasing"), has delivered to the Bank on the date hereof a Specific Guaranty, dated May 6, 1980, (the "Guaranty"), pursuant to which Guaranty, Leasing has agreed to guarantee to the Bank the payment when due of all indebtedness and obligations of Industries to the Bank under the terms of a note, dated May 6, 1980, delivered by Industries pursuant

to the terms of the Loan Agreement (the "Note"), which Note is in the principal amount of three million four hundred ninety-four thousand four hundred ninety-five dollars and seventy-six cents (\$3,494,495.76), including interest fees and charges as provided in the Note;

WHEREAS, Leasing has delivered to the Bank a Chattel Mortgage and Security Agreement, dated June 21, 1974 and filed with the Interstate Commerce Commission (the "ICC") on July 1, 1974 under Recordation Number 7556-B (the "Original Mortgage"), which Original Mortgage grants to the Bank, to secure certain indebtedness of Leasing to the Bank, a security interest in and a lien upon forty (40) rebuilt, fifty-ton, forty-foot six-inch, wood-lined, general purpose boxcars, Class "XM", bearing Maryland and Pennsylvania Railroad Co. numbers as set forth on Exhibit A annexed hereto (the "Conditional Sale Cars") and which Original Mortgage, as amended by an amendment dated the date hereof and filed by the ICC on May 6, 1980 under Recordation Number 7556-F, additionally secures Leasing's obligations to the Bank under the Guaranty (the Original Mortgage, as amended through and including the date hereof, is referred to herein as the "Chattel Mortgage");

WHEREAS, Railroad and Leasing have entered into a Conditional Sale Agreement, dated as of June 21, 1974 (the "Conditional Sale Agreement"), the terms of which Conditional Sale Agreement grant to Railroad certain rights in respect of the Conditional Sale Cars, including the right to receive

title to the Conditional Sale Cars upon payment of the full purchase price thereof, as set forth in the Conditional Sale Agreement; and

WHEREAS, in order to induce the Bank to advance funds to finance the acquisition of the Cars, Railroad desires to subordinate its rights in respect to the Conditional Sale Cars under the Conditional Sale Agreement to the Bank's rights under the Chattel Mortgage;

NOW THEREFORE, in consideration of the sum of Ten Dollars (\$10) to Railroad paid by the Bank, receipt of which is hereby acknowledged, the Bank and Railroad, intending to be legally bound, agree that all Railroad's rights, title and interest, as vendee under the Conditional Sale Agreement, by law or otherwise, in and to the Conditional Sale Cars are subordinated in all respects to the rights of the Bank, as mortgagee under the Chattel Mortgage.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

MARYLAND AND PENNSYLVANIA RAILROAD CO.

By:

*R. J. Malton*  
*Secy. & Treas.*

Attested:

*Judge Howotkins*  
*asst. Secy.*

CENTRAL PENN NATIONAL BANK

By:

*Chas. J. [unclear]*

Attested:

*Patricia A. Hebr A.C.*

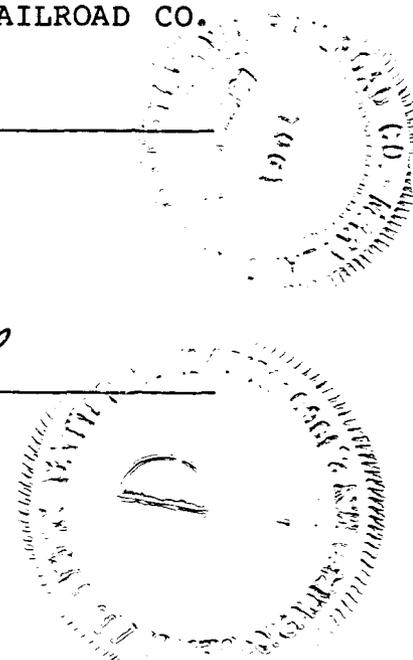


EXHIBIT A

40 fifty ton, forty foot six inch wood lined general purpose boxcars  
Class "XM" having MPA reporting marks and the following serial  
numbers:

15119  
15120  
15122  
15150  
15151  
15154  
15192  
15195 - 15202 inclusive  
15204 - 15209 inclusive  
15211  
15212  
15214 - 15218 inclusive  
15219  
16128 - 16130 inclusive  
16132 - 16134 inclusive  
16136  
16137  
16141 - 16143 inclusive

# Central Penn National Bank

## Specific Guaranty

To induce CENTRAL PENN NATIONAL BANK (the "Bank") to make loans, extensions of credit or other financial accommodations to, or for the account of, the "Borrower", as defined below, or to third parties based on the endorsement, guaranty or other accommodation of the Borrower, pursuant to Borrower's certain debt instrument described at the end of this Guaranty (the "Debt Instrument"), and in consideration thereof, each of the undersigned (the "Guarantor(s)"), jointly and severally if more than one, intending to be legally bound, guarantees to the Bank, and becomes surety for, the prompt payment when due, at maturity or by acceleration upon default, of all indebtedness and obligations of the Borrower to the Bank under the terms of the Debt Instrument or any renewal or extension thereof or any debt instrument taken in substitution therefor, including interest, fees and charges as therein provided (the "Guaranteed Indebtedness") and the prompt performance by the Borrower of all undertakings to the Bank set forth therein.

The obligation of each Guarantor under this Guaranty is absolute and the Bank may, at its discretion, enforce such obligation against any one or more of the Guarantors hereunder, unconditionally, upon default by the Borrower without first being required to pursue any remedies available to it against the Borrower or any collateral held for the Guaranteed Indebtedness or against any other Guarantor or other person contingently liable to the Bank.

Each Guarantor waives notice of the acceptance of this Guaranty and notice of default by the Borrower under the Debt Instrument, and agrees that the Bank may at any time or from time to time in its discretion without further notice to or consent from the Guarantor or impairment of the obligation of the Guarantor hereunder: (1) extend or change the time of payment, or the manner, place or terms of payment of all or any part of the Guaranteed Indebtedness; (2) exchange, release or surrender any collateral, or any part thereof, held by the Bank as security for the Guaranteed Indebtedness; (3) sell, collect or otherwise dispose of any such collateral at public or private transaction, and become the purchaser thereof, free and clear of any interest therein on the part of the Guarantor and apply the net proceeds of any such sale or disposition to any indebtedness or obligation of the Borrower to the Bank in the order selected by the Bank whether or not guaranteed hereunder, it being understood that the Bank shall not be under any obligation to marshal any such collateral in favor of any Guarantor or with respect to any Guaranteed Indebtedness; (4) settle or compromise with the Borrower or any other person or persons liable thereon, including one or more Guarantors hereunder, all or any part of the Guaranteed Indebtedness or enter into or consent to any arrangement or reorganization involving the Borrower or any such other person under state or Federal insolvency laws or by agreement among creditors or subordinate the payment of the Guaranteed Indebtedness, or any part thereof, to the payment of any other debt of the Borrower owing to the Bank or to any other person or corporation; and (5) take or refrain from taking any action deemed to be in its best interest with respect to the Guaranteed Indebtedness, the Borrower, its property or with respect to any person liable for the Guaranteed Indebtedness.

The obligation of each Guarantor under this Guaranty shall not be abrogated or affected in any manner by any change in the status of the Borrower or any Guarantor, whether by death, liquidation, merger, bulk sale, change in stock ownership or otherwise.

Each Guarantor subordinates to the payment in full of the Guaranteed Indebtedness any claim to payment now or hereafter held by such Guarantor against the Borrower or against any other person directly or indirectly liable for the Guaranteed Indebtedness, including any claim for reimbursement or contribution arising by reason of any payment made to the Bank hereunder.

To secure the liability of each Guarantor hereunder, the Bank shall have and is hereby granted a continuing lien upon, security interest in and right of setoff with respect to all sums now or hereafter owing by the Bank to the Guarantors or any of them by reason of deposits maintained with the Bank or otherwise and all assets of the Guarantors or any of them now or hereafter in possession of the Bank or with respect to which the Bank now holds or hereafter acquires a lien, mortgage or security interest for any reason.

In addition to the Guaranteed Indebtedness and interest accrued thereon, each Guarantor agrees, jointly and severally, to pay to the Bank all collection costs, including reasonable attorneys' fees, incurred by Bank in the liquidation of collateral or in the course of collection of the Guaranteed Indebtedness, as against the Borrower or any person, including any of the undersigned Guarantors, primarily or secondarily liable thereon.

Each Guarantor acknowledges that no promises, representations, agreements, conditions or covenants have been made relating to this Guaranty other than those contained herein and that no modification or waiver of the terms hereof shall be binding on the Bank unless in writing signed by the Bank.

The term "Borrower", as used herein, shall mean and include Emons Industries, Inc.

The term "Debt Instrument", as used herein, shall mean the Promissory Note of the Borrower dated

May 6 1980 in the face, principal or maximum amount of \$ 3,494,495.76

The liability of each Guarantor hereunder shall be secured by the real and/or personal property described in the following collateral instruments:

NONE

and by such additional collateral as may from time to time be pledged to the Bank with respect hereto.

This Guaranty shall be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania and shall bind the undersigned Guarantor(s) and its or their respective heirs, personal representatives, successors and assigns and inure to the benefit of the Bank and its successors and assigns.

Dated: May 6, 1980

Witness/Attest:

EMONS LEASING CO., INC.

By: \_\_\_\_\_ (SEAL)

\_\_\_\_\_  
(SEAL)

490 East Market St., York, PA, 17403

Mailing Address

(affix corporate seal for all corporate Guarantors)

**Warrant of Attorney to Confess Judgment**

Upon default in the payment when due of any Guaranteed Indebtedness, as defined in the foregoing Guaranty, or upon the occurrence of any event which would entitle Central Penn National Bank to immediate payment of all or any portion of the Guaranteed Indebtedness, then, and in any such event, the undersigned (and each of them, if more than one), hereby irrevocably authorize the Prothonotary or any attorney of any court of record in Pennsylvania or elsewhere to appear for and confess judgment against the undersigned (and each of them, jointly and severally, if more than one) for any and all amounts unpaid on such Guaranteed Indebtedness, including interest thereon to date of payment (said amount and the occurrence of such default or event to be as evidenced by a complaint or an affidavit signed by an officer of Central Penn National Bank), together with fees of counsel in the amount of fifteen percent (15%) of the foregoing, but not less than \$1,000.00 and costs of suit, releasing all errors and waiving rights of appeal. If a copy hereof, verified by affidavit, shall have been filed in such proceeding, it shall not be necessary to file the original as a warrant of attorney. The undersigned (and each of them, if more than one) hereby waive the right to any stay of execution and the benefit of all exemption laws now or hereafter in effect. No single exercise of this warrant and power to confess judgment shall be deemed to exhaust this power, whether or not any such exercise shall be held by any court to be invalid, voidable or void, but this power shall continue undiminished and may be exercised from time to time as often as Central Penn National Bank shall elect until all sums due under the Guaranty and hereunder shall have been paid in full.

EMONS LEASING CO., INC.

~~XXXXXX~~

By: \_\_\_\_\_ (SEAL)

COMMONWEALTH OF PENNSYLVANIA)

COUNTY OF PHILADELPHIA )

: ss.:

On this *6<sup>th</sup>* day of *May*, 1980, before me personally appeared *Paul A. Oyer*, to me personally known, who, being by me duly sworn, says that he is *Vice President* of CENTRAL PENN NATIONAL BANK; that the seal 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.

My Commission Expires:

*Agatha Rocchia*  
Notary Public

AGATHA ROCCHIA  
Notary Public, Phila., Phila. Co.  
My Commission Expires May 8, 1982

COMMONWEALTH OF PENNSYLVANIA)  
COUNTY OF PHILADELPHIA ) : ss.:

On this 6<sup>th</sup> day of May, 1980, before me personally appeared J. S. Maltrese, to me personally known, who, being by me duly sworn, says that he is Sec. Pres. of Maryland and Pennsylvania Railroad Co.; that the seal 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.

My Commission Expires:

*Agatha Rocchia*  
Notary Public

AGATHA ROCCHIA  
Notary Public, Phila., Phila. Co.  
My Commission Expires May 8, 1982