



## Emons Industries, Inc.

April 15, 1988

Ms. Mildred Lee  
Interstate Commerce Commission  
12th and Constitution Ave., N.W.  
Room 2303  
Washington, D.C. 20423

RECORDATION NO. 5581  
F. 100 1428

APR 19 1988 - 11 25 AM

INTERSTATE COMMERCE COMMISSION

4/19/88  
13:00

Dear Ms. Lee:

I am enclosing the following documents to be recorded:

1. Original and a copy of Agreement dated as of November 1, 1987, between:

Maryland and Pennsylvania Railroad Company  
One West Market Street  
York, PA 17401 (Sublessor)

and

CSX Transportation, Inc.  
100 North Charles Street  
Baltimore, Maryland 21201 (Sublessee)

for two hundred and fifty-three (253) boxcars.

In connection with the above document, I am enclosing the following related documents:

1. Original and copy of a Lease of Railroad Equipment dated as of December 4, 1987, for 7 of the 253 boxcars between:

Maryland and Pennsylvania Railroad Company  
(same address as above) (lessee)

and

Signet Leasing and Financial Corporation  
7 St. Paul Street  
Baltimore, MD 21202 (lessor)

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2. Original and copy of a Lease of Railroad Equipment dated as of December 4, 1987 for 35 of the 253 boxcars between:

Maryland and Pennsylvania Railroad Company  
(same address as above) (lessee)

and

E.T. Railcar Corporation  
3224 Skycroft Drive  
Minneapolis, Minnesota 55418 (lessor)

3. Original and a copy of a Lease of Railroad Equipment dated as of December 4, 1987 for 145 of the 253 boxcars between:

Maryland and Pennsylvania Railroad Company  
(same address as above) (lessee)

and

The Connecticut Bank and Trust Company,  
National Association, owner-trustee  
One Constitution Plaza  
Hartford, Connecticut 06115 (lessor)

4. Original and a copy of a Lease of Railroad Equipment dated as of December 4, 1987 for 16 of the 253 boxcars between:

Maryland and Pennsylvania Railroad Company  
(same address as above) (lessee)

and

Bamerilease Capital Corporation  
555 California Street  
San Francisco, California 94137 (lessor)

5. Original and a copy of a Lease of Railroad Equipment dated as of December 4, 1987 for 50 of the 253 boxcars between:

Maryland and Pennsylvania Railroad Company  
(same address as above) (lessee)

and

Chrysler Rail Transportation Corporation  
3800 North Wilke Road  
Suite 300  
Arlington Heights, Illinois 60004 (lessor)

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6. Original and copy of a Security Agreement dated December 4, 1987, between:

Wilmington Trust Company  
Rodney Square North  
Wilmington, Delaware 19890 (Agent/Secured Party)

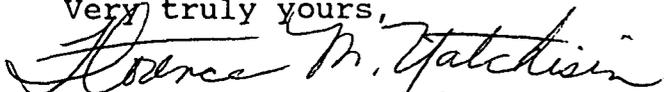
and

Maryland and Pennsylvania Railroad Company  
(Same address as above)

Also enclosed is a check in the amount of \$91.00 (\$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.

Should you have any questions, please call me. Thank you for your assistance in this matter.

Very truly yours,

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

Enclosures

APR 19 1988 - 11 25 AM

AGREEMENT

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT, made as of this 1st day of November, 1987, between the MARYLAND AND PENNSYLVANIA RAILROAD COMPANY, (hereinafter referred to as "MPA"), and CSX TRANSPORTATION, INC., (hereinafter referred to as "CSX").

It is Agreed:

1. Scope. MPA agrees to and does hereby permit CSX to use those certain two hundred fifty-three (253) railroad cars identified on Schedule 1 attached hereto (hereinafter referred to as the "Cars").

2. Term. The term of this Agreement shall commence on November 1, 1987, and unless earlier terminated in accordance with Paragraph 7, shall terminate on \_\_\_\_\_; provided, however, this Agreement shall be automatically extended on a month to month basis after the initial term until terminated by either party on thirty (30) days' prior written notice to the other.

3. Service. The Cars will be used in service which preserves the Cars in Class A condition (per AAR Rule 1, Paragraph 7). CSX shall not change such loadings by it without MPA's consent. If damage results from any changes in loadings as provided in this Section, CSX shall be responsible for such damage resulting from loadings on its lines and CSX shall take reasonable steps to collect from any other railroad the amount of the damage caused by the other railroad.

4. Delivery of Cars. Since the Cars are currently in service with CSX in an Agreement expiring October 31, 1987, CSX hereby stipulates that the Cars are in good operating condition and in accordance with AAR rules and regulations and are delivered and accepted "as is, where is."

5. Railroad Markings; Inspection.

A. Cars will bear the reporting marks of MPA. Such markings shall comply with all applicable regulations. Of the 253 Cars, 76 now carry SBD reporting marks and shall be restenciled by MPA, at MPA's expense and direction, to MPA reporting marks.

B. MPA, its officers, employees and agents, shall have reasonable access to the physical inspection of Cars or records pertaining thereto upon prior written notice to CSX. MPA agrees that it shall not unreasonably interfere with the Cars' movement as a result of any such inspection.

6. Rental Per Car.

A. MPA shall be entitled to any Car Hire Revenues, as defined in Section 19, received by MPA or CSX while the Cars are not on the lines of CSX, except as provided in 6(B) below.

B.

7. Substitution; Earlier Termination.

A. MPA shall have the right at any time and from time to time to substitute one or more boxcars of similar design, age, quality and per diem level upon at least 60 days' notice thereof, all at the expense of MPA both for the displaced Car and its replacement. The parties shall cooperate with each other to effectuate such substitution at a mutually agreeable point without unduly burdening CSX's operation hereunder. Upon such substitution this Agreement shall terminate as to the Car being substituted for, and the boxcar substituted in place of that Car shall thereupon become a "Car" for all purposes of this Agreement.

B. In the event that the Cars fail to earn \$ per car per month, on a calendar quarterly basis, including both on line and off line payments, CSX may elect to satisfy any monetary shortfall within thirty (30) days after receipt of written notice by MPA of such shortfall or MPA shall have the right to cancel this Agreement in its entirety without penalty.

8. Maintenance.

A. CSX shall be required to preserve the Cars in good operating condition and in conformance with AAR and FRA rules governing the Interchange of freight cars while the Cars are on CSX's trackage or under its control. All repairs whether on or off CSX's trackage shall be performed at MPA's expense except that CSX shall assume the cost of and pay for any damage to a Car which is caused by cornering, sideswiping, derailment or similar occurrences while on CSX's trackage or private trackage served by CSX, and will also be responsible for any AAR Rule 95 damage if CSX accepts an MPA car at Interchange and fails to obtain proper protection from the delivering line for any such damage.

B. CSX shall promptly give MPA notice of the need to repair a Car (other than running repairs - those repairs as authorized in the "Field Manual of the AAR Interchange Rules" that can be performed to cars moving in Interchange without the prior approval of the car owner.) when on CSX's trackage or of which CSX has knowledge that repairs are required. CSX shall not

perform or cause to be performed any repairs (other than running repairs) or maintenance without MPA's prior consent.

C. CSX shall not make any alteration, improvement or addition to any Car without the prior written consent of MPA thereto. Any alteration, improvement or addition made to a Car shall become the property of MPA upon installation without any need to reimburse CSX therefor.

D. MPA shall have the right to all and any settlement received by it as a result of any loss or destruction of a Car occurring while on the trackage of CSX or others. All such settlements shall be made in accordance with AAR Interchange Rule 107. This Agreement shall terminate as to any such lost or destroyed Car effective on the date of any such loss or destruction.

E. Notwithstanding anything contained herein, MPA may notify CSX that it is withdrawing from this Agreement any Car which has been damaged or needs repairs and which would in the reasonable judgment of MPA be uneconomical to perform such repairs, whereupon this Agreement will terminate as to such withdrawn Car; provided, however, MPA may substitute a car of similar design, age, quality and per diem level for such withdrawn Car, in which case all of the terms and conditions of this Agreement will apply to the substituted Car.

9. Liens. CSX shall keep the Cars free from any and all encumbrances or liens in favor of anyone claiming by, through or under CSX which may be a cloud upon or otherwise affect Car Owners' title, including, but not limited to liens or encumbrances which arise out of any suit involving CSX, or any act or omission of CSX or CSX's failure to comply with the provisions of this Agreement, and CSX shall promptly discharge any such lien, encumbrance or legal process.

10. A. Indemnities. <sup>CC, Any</sup> CSX agrees to indemnify and hold MPA harmless from and against all losses, damages, injuries, claims and liabilities except to the extent MPA or its agents are negligent in the use, <sup>repair</sup> and operation of the Cars during the term of this Agreement. MPA shall not be liable to CSX for any loss of or damage to any commodities loaded or shipped in the Cars.

B. Insurance. The parties acknowledge that CSX intends to be self-insured as to the Cars during the term of this Agreement. Should CSX carry any insurance policies covering the Cars, MPA may request that it be named an additional insured.

11. Termination. At the expiration or termination of this Agreement as to any of the Cars, CSX will surrender possession of such Cars which are on CSX's railroad lines or on the line of an affiliate of CSX to MPA by delivering the same to MPA at a point on CSX's railroad line designated by MPA. If requested by MPA, CSX shall use its best efforts to load the Cars off-line. All transportation charges beyond said point will be paid by MPA.

CSX agrees to follow MPA's instructions in directing railroads in possession of the Cars to return the Cars, at MPA's expense. MPA shall be entitled to one hundred percent (100%) of the car hire revenues for the period after termination of this Agreement and shall be responsible for all obligations, other than those caused by CSX's negligence, relative to the Cars which accrue after such termination. Each Car so surrendered shall be free from all accumulations or deposits from commodities transported in or on the Cars while in the service of CSX, and free of the need for running repairs. CSX shall provide up to sixty (60) days free storage on its railroad tracks for any terminated Car or Cars. Such stored Cars will be free of car hire while on CSX's lines.

12. Default; Remedies.

A. The occurrence of any of the following events shall be an event of Default:

(i) The failure of CSX to make payment of any sum required to be paid hereunder within ten (10) days after receipt of written notice regarding such failure;

(ii) The default by CSX under any other term, covenant or condition of this Agreement which is not cured within thirty (30) days after receipt by CSX of written notice thereof from MPA;

(iii) CSX shall: (i) file a voluntary petition in bankruptcy or file a voluntary petition or an answer or otherwise commence any action or proceeding seeking reorganization, arrangement or readjustment of its debts or for any other relief under the Federal Bankruptcy Code, as amended, or under any other bankruptcy or insolvency act or law, state or federal, now or hereafter existing, or consent to, approve of, or acquiesce in, any such petition, action or proceeding; (ii) apply for or acquiesce in the appointment of a receiver, assignee, liquidator, sequestrator, custodian, trustee or similar officer for it or for all or a substantial part of its property; (iii) make an assignment for the benefit of creditors; or (iv) be unable generally to pay its debts as they become due;

(iv) an involuntary petition shall be filed or an action or proceeding otherwise commenced seeking reorganization, arrangement or readjustment of CSX's debts or for any other relief under the Federal Bankruptcy Code, as amended, or under any other bankruptcy or insolvency act or law, state or federal, now or hereafter existing; or a receiver, assignee, liquidator, sequestrator, custodian, trustee or similar officer for CSX or for all or a substantial part of its property shall be appointed involuntarily; or a warrant of attachment, execution or similar process shall be issued against any substantial part of the property of CSX, and any of such events shall continue for sixty (60) days undismissed and undischarged;

(v) CSX shall file a certificate of dissolution under applicable law or shall be liquidated, dissolved or wound-up or shall commence or have commenced against it any action or proceeding for dissolution, winding-up or liquidation, or shall take any corporate action in furtherance thereof;

(vi) The declaration by any court of competent jurisdiction that this Agreement is null and void or has ceased to be in full force and effect;

(vii) The contesting of the validity or enforceability of this Agreement in any court or in any insolvency or reorganization proceeding by CSX or by the Trustee of CSX's properties; or

(viii) The subjection of a substantial part of CSX's property to any levy, seizure assignment, application or sale for or by any creditor or governmental agency.

B. Upon the occurrence of any Event of Default, MPA may, at its option, terminate this Agreement and also may proceed by appropriate court action to enforce the performance by CSX of its obligations hereunder or to recover damages for which CSX is responsible at law, under contract or otherwise. All remedies of MPA under this Agreement shall be cumulative. CSX agrees to bear MPA's costs and expenses, including reasonable attorney's fees, in taking such action or actions.

13. Use of Cars. So long as CSX shall not be in default under this Agreement and subject to the next sentences, and CSX agrees that the Cars shall at all times be used (i) in conformity with Interchange Rules; (ii) in compliance with the term and provisions of this Agreement; (iii) and in the use, service and manner customary for railcars, CSX shall be entitled to the possession, use and quiet enjoyment of the Cars in accordance with the terms of this Agreement. It is understood that a bank or other financial institution may own any such Cars with MPA leasing such Cars from such owner, this Agreement thereupon being a sublease, fully subordinate to the Lease between such owner and MPA. If any assignment of this Agreement has been granted, the assignee, owner or purchaser shall have all of the rights of MPA granted to it in such assignment but none of the obligations of MPA under this Agreement. In connection with any sale, lease, assignment or grant of security interest, CSX shall, upon written notice thereof recognize each such assignment, sale, ownership or security interest and shall accept and comply with the direction or demands given in writing by any such owner, assignee or secured party. CSX shall not assert against such assignee, secured party or owner any defense, counterclaim or set-off that CSX might have against MPA. CSX's rights shall be subject and subordinate to the rights of any such assignee or transferee of MPA or any such owner or purchaser of the Cars or any bank or other secured party in connection with financing of the Cars.

Upon giving of notice to CSX from any such owner, transferee, bank, financial institution or secured party that an event of default by MPA has occurred and is continuing under such financing agreement or arrangement, such party may, at its option, require either (i) that the Cars be returned to such party, or (ii) if such rights have been granted by MPA to such party, that all payments otherwise due to MPA shall be made directly to such party, or both.

14. Notice. Any notice required or permitted to be given pursuant to the terms of this Agreement shall be properly given when made in writing, deposited in the United States mail, registered or certified, postage prepaid, addressed to:

MARYLAND AND PENNSYLVANIA  
RAILROAD COMPANY

at:

One West Market Street  
York, Pennsylvania 17401  
Attention: Controller

CSX TRANSPORTATION, INC.

at:

100 North Charles Street  
Baltimore, Maryland 21201  
Attention: General Manager,  
Boxcar/Forest Products B10B

or at such other addresses as MPA or CSX may from time to time designate by such notice in writing.

15. Governing Law--Writing. The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the State of New York. The terms of this Agreement and the rights and obligations of the parties hereto may not be changed or terminated orally, but only by agreement in writing signed by the party against whom enforcement of such change or termination is sought.

16. No Warranties. No warranty, express or implied, is made by MPA of the quality of design or manufacture of the equipment. CSX acknowledges that it inspected the Cars when received.

17. Severability--Waiver. If any term or provision of this Agreement or the application thereof to any persons or circumstances shall to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law. Failure of MPA to exercise any rights hereunder shall not constitute a waiver of any such right upon the continuation or recurrence of the situation or contingency giving rise to such right.

18. Terminology. In construing any language contained in this Agreement, no reference shall be made and no significance given to paragraph titles, such titles being used only for

convenience of reference. Where the context so permits, the singular shall include the plural and vice versa.

19. Definitions. For all purposes of this Agreement the following terms shall have the following meaning.

A. "Interchange Rules" - All codes, rules, interpretations, laws or orders governing hire, use, condition, repair and all other matters pertaining to the interchange of freight traffic reasonably interpreted as being applicable to the Cars, adopted and in effect from time to time by the Association of American Railroads and any other organization, association, agency, or governmental authority, including the Interstate Commerce Commission and the United States Department of Transportation, which may from time to time be responsible for or have authority to impose such codes, rules, interpretations, laws or orders.

B. "Car Hire Revenues" - The hourly per diem and mileage earnings of the Cars prescribed by the car hire rate tables of the Association of American Railroads then in effect.

20. Miscellaneous.

A. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto, their respective successors and assigns, except that neither party may assign this Agreement or any of their rights hereunder without the prior written consent of the other, except as provided in Section 13.

B. Nothing contained herein shall be construed in any way whatsoever so as to constitute or establish a partnership, joint venture or contract of employment between the parties hereto.

C. If the Interstate Commerce Commission ("ICC") or any successor governmental agency, or any other regulatory body or any court shall, at any time:

(i) issue any order the effect of which would cause the Cars to cease earning revenues; or

(ii) reduce the amount of car hire revenue or mileage revenue which the Cars are able to earn as of the date of this Agreement;

then, MPA shall have the option of proposing new terms that, to the extent possible, place the parties in the same relative positions as existed prior to such order. If such terms are not acceptable to CSX, then MPA may terminate this Agreement in its entirety.

D. If the Cars become subject to any order issued by the ICC or any successor governmental agency, or any other regulatory body or any court, the effect of which would be to

cause the Cars to incur storage charges while on other railroads, or empty mileage charges while on other railroads, then MPA shall have the option of proposing new terms that, to the extent possible, place the parties in the same relative positions as existed prior to such order. If such terms are not acceptable to CSX, then MPA may terminate this Agreement in its entirety.

E. CSX shall not have the authority to enter into any agreement regarding car hire rates covering the Cars without the prior written consent of MPA and MPA shall have absolute authority in its sole discretion to enter into or refuse to enter into any agreement setting such rates with any other railroad with respect to the Cars.

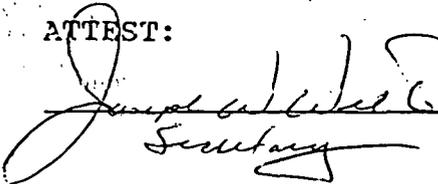
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year first above written.

MARYLAND AND PENNSYLVANIA RAILROAD COMPANY

By:   
Title: VICE PRESIDENT

(Corporate Seal)

ATTEST:

  
Secretary

CSX TRANSPORTATION, INC.

By:   
General Manager  
Title: Boxcar/Forest Products  
CSX Equipment Group

(Corporate Seal)

ATTEST:



SCHEDULE 1

Description of Cars: All-Steel, single-Door, 70-Ton, 50-Foot XP Boxcars

Number of Cars: 253 Boxcars

Lease Term: Years

Current Identification Numbers: MPA and SBD

New Identification Numbers: MPA

STATE OF Pennsylvania )  
 ) SS  
COUNTY OF York )

On this 26th day of February, 1988, before me personally appeared Richard E. Meyers, to me known, who being by me duly sworn, says that he is a Vice President of the MARYLAND AND PENNSYLVANIA RAILROAD COMPANY, 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 15, 1990

(Seal)

My Commission Expires:

STATE OF Maryland )  
 ) SS  
CITY OF Baltimore )

On this 20th day of January, 1988, before me personally appeared Curtis C. Wathen, to me known, who being by me duly sworn, says that he is a General Manager - Process Products CSX TRANSPORTATION, INC., 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.

H. Marlene Winchell  
Notary Public

H. MARLENE WINCHELL  
BALTO. CO., MD.  
My Commission Expires July 1, 1990

(Seal)

My Commission Expires: July 1, 1990