

RECORDATION NO. 1 5540
MAR 21 1988 - 10 40 AM
INTERSTATE COMMERCE COMMISSION



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Emons Industries, Inc.

RECORDATION NO. 1 5540
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March 18, 1988

RECORDATION NO. 1 5540
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RECORDATION NO. 1 5540
MAR 21 1988 - 10 40 AM
INTERSTATE COMMERCE COMMISSION

Ms. Mildred Lee
INTERSTATE COMMERCE COMMISSION
12th and Constitution Avenues, N.W.
Room 2303
Washington, D.C. 20423

RECORDATION NO. 1 5540
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INTERSTATE COMMERCE COMMISSION

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Dear Ms. Lee:

RECORDATION NO. 1 5540
MAR 21 1988 - 10 40 AM
INTERSTATE COMMERCE COMMISSION

Date 3/21/88
Fee \$ 78.00
ICC Washington, D.C.

I am enclosing the following documents to be recorded:

1. Original and a copy of an Agreement dated as of December 29, 1987, between the Maryland and Pennsylvania Railroad Company and Canadian National Railway Company, as User, for two hundred eighty-nine (289) boxcars.
- A 2. Original and a copy of a Security Agreement dated as of January 4, 1988, between Wilmington Trust Company, as Agent/Secured Party, and the Maryland and Pennsylvania Railroad Company.
- B 3. Original and a copy of a Lease of Railroad Equipment dated as of January 4, 1988, between Bamerilease Capital Corporation, as Lessor, and the Maryland and Pennsylvania Railroad Company, as Lessee, for twenty-five (25) boxcars.
- D 4. Original and a copy of a Lease of Railroad Equipment dated as of January 4, 1988, between Connecticut Bank & Trust Company as Trustee/Lessor, and the Maryland and Pennsylvania Railroad Company, as Lessee, for ninety-three (93) boxcars.
5. Original and a copy of a Lease of Railroad Equipment dated as of January 4, 1988, between E. T. Railcar Corporation as Lessor, and the Maryland and Pennsylvania Railroad Company, as Lessee, for one hundred seventy (170) boxcars.
6. Original and a copy of a Lease of Railroad Equipment dated as of January 4, 1988, between Signet Leasing and Financial Corporation, as Lessor, and the Maryland and Pennsylvania Railroad Company as Lessee, for one (1) boxcar.

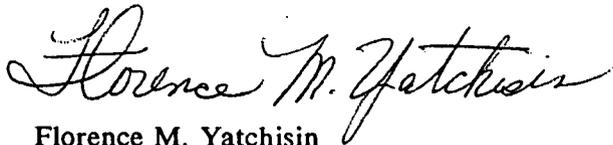
25
93
170
1
28

Ms. Mildred Lee
March 18, 1988
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Also enclosed is a check in the amount of \$78.00 (\$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,

A handwritten signature in cursive script that reads "Florence M. Yatchisin". The signature is written in black ink and is positioned above the typed name and title.

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

Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

3/21/88

OFFICE OF THE SECRETARY

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

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 3/21/88 at 10:30am, and assigned recordation number(s). 15540, 15540-A, 15540-B, 15540-C, 15540-D, 15540-E

Sincerely yours,

Narta L. McGee

Secretary

Enclosure(s)

MAR 21 1988 10 40 AM

SECURITY AGREEMENT

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT dated as of January 4, 1988, between WILMINGTON TRUST COMPANY, a Delaware state banking association with an office at Rodney Square North, Wilmington, Delaware 19890, in its capacity as Agent (the "Agent") pursuant to the Intercreditor Agreement attached hereto as Exhibit A (the "Intercreditor Agreement") 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 "CN Agreement") dated as of December 29, 1987, between Canadian National Railway Company ("CN") and the Company, the Company is providing to CN two hundred eighty-nine (289) boxcars (the "Cars").

Pursuant to the Master Leases (as such term is defined in the Intercreditor Agreement), the Lessors (as such term is defined in the Intercreditor Agreement) have severally (but not jointly) leased to the Company, and the Company has agreed to hire from the Lessors, two hundred eighty-nine (289) boxcars (the "Cars") with the understanding that the Cars will be subleased to CN pursuant to the CN Agreement.

NOW, THEREFORE, the parties hereto agree:

(1) As an inducement to the Lessors to execute the Master Leases and to consent to, among other things, the inclusion of the Cars under the CN Agreement (and in consideration thereof), the Company hereby

(i) sells, assigns, transfers, pledges and sets over unto the Agent (for the benefit of the Lessors), the Company's right, title and interest in and to the CN Agreement and in and to revenues to become due and payable from time to time under the CN Agreement, and the proceeds thereof, and

(ii) grants to the Agent (for the benefit of the Lessors) a security interest in all accounts of the Company arising from the use of the Cars in the CN Agreement,

in each case as collateral security for the payment and performance of all obligations and duties of the Company to the Lessors arising under or by virtue of the Master Leases.

(2) Except as otherwise provided in the Intercreditor Agreement, upon the occurrence of any Event of Default (as such

term is defined in the Master Leases) by the Company, unless such Event of Default shall have been waived by the Lessor which is a party to such Master Lease, the Agent shall have the right, upon giving CN notice of such default, but without notice to or consent of the Company,

(i) to instruct CN to pay to the Agent any amounts payable by CN to the Company pursuant to the CN Agreement; and

(ii) to instruct the Company to segregate and pay immediately to the Agent any revenues received by the Company and attributable to the use of the Cars in the CN Agreement minus the aggregate cost of any expenses relating to the Cars paid by the Company pursuant to the Master Leases or the CN Agreement; and

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

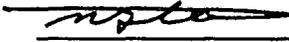
(3) The execution by each Lessor of the Intercreditor Agreement shall be a condition precedent to the effectiveness of this Security Agreement as to such Lessor.

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

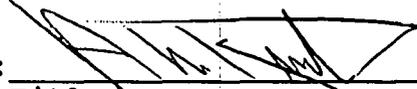
IN WITNESS WHEREOF, the parties have duly executed this Security Agreement the day and year first above written.

ATTEST:

WILMINGTON TRUST COMPANY, As Agent

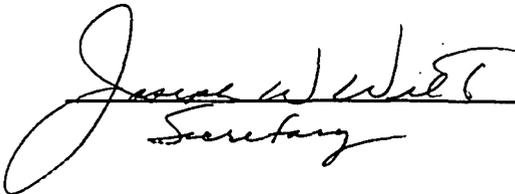


By:

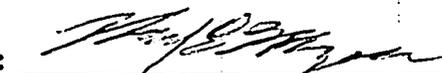

Title: ~~Senior Financial Services Officer~~

ATTEST:

THE MARYLAND AND PENNSYLVANIA
RAILROAD COMPANY


Secretary

By:


Title: VICE PRESIDENT

STATE OF Delaware :
 :ss.:
COUNTY OF New Castle :

On the 10th day of February, 1988, before me personally appeared Arden M. Knapp to me personally known, who, being by me duly sworn, says that he/she is the Agent of WILMINGTON TRUST COMPANY, the Agent 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.

Patricia A. Wallace
Notary Public

NOTARY PUBLIC
My Commission Expires April 20, 1991

STATE OF PENNSYLVANIA:
 :ss.:
COUNTY OF YORK :

On the 22 day of February, 1988, before me personally appeared Richard F. Meyer 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 W. Steegh
Notary Public

ANNAMARIE W. STEEGH, Notary Public
York County, Pennsylvania
My Commission Expires April 20, 1990