1 5540-F
RECORDATION NO. Filed 1425
MAR 21 1988 - 10 40 AM
INTERSTATE COMMERCE COMMISSION

RECORDATION NO. Filed 1425
MAR 21 1988 - 10 40 AM
INTERSTATE COMMERCE COMMISSION
1 5540 A
RECORDATION NO. Filed 1425

Emons Industries, Inc.

1 5540C
RECORDATION NO. Filed 1425
MAR 21 1988 - 10 40 AM
INTERSTATE COMMERCE COMMISSION

March 18, 1988

MAR 21 1988 - 10 40 AM
INTERSTATE COMMERCE COMMISSION

1 5540 B
RECORDATION NO. Filed 1425
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

1 5540 A
RECORDATION NO. Filed 1425

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

Dear Ms. Lee:

MAR 21 1988 - 10 40 AM
INTERSTATE COMMERCE COMMISSION

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.

C 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
289

1 WEST MARKET STREET • YORK, PENNSYLVANIA 17401-1231

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,

Florence M. Yatchisin

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,

Noreta R. McGee

Secretary

Enclosure(s)

SE-30
(7/79)

RECORDATION NO. 1 5540-B FILED 1986
MAR 21 1988 -10 40 AM
INTERSTATE COMMERCE COMMISSION

LEASE OF RAILROAD EQUIPMENT

AGREEMENT entered into as of the 4th day of January, 1988 by and between BAMERILEASE CAPITAL CORPORATION, a California corporation with an office at 555 California Street, San Francisco, California 94137 (hereinafter referred to as "Lessor") and THE MARYLAND AND PENNSYLVANIA RAILROAD COMPANY, a Maryland and Pennsylvania corporation whose address is 1 West Market Street, York, Pennsylvania 17401 (hereinafter sometimes referred to as the "M&P").

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 M&P, the M&P is providing to CN two hundred eighty-nine (289) boxcars.

The Lessor owns or holds under lease twenty-five (25) 50 foot 70 ton boxcars (the "Cars") with identifying marks as listed on Exhibit A hereto, as such Exhibit may from time to time be supplemented or amended (hereinafter referred to as the "Cars"), and desires to lease the Cars to the M&P on the terms and conditions set forth in this Lease, with the understanding that the Cars will be used in the CN Agreement (the M&P in its capacity as lessee of the Cars hereunder is hereinafter referred to as the "Lessee").

NOW, THEREFORE, in consideration of the premises, the parties hereto agree:

1. Lease and Hire: Lessor hereby lets to Lessee and Lessee hereby leases from Lessor the Cars.

2. Rental Payments: The Lessee hereby covenants and agrees to pay, or cause to be paid to the Lessor and its successors and assigns, as basic rent hereunder, not later than ten days after the end of each month where revenues are received, an amount equal to (i) the Lessor's Gross Allocated Portion (as such term is defined below) of Gross Revenues (as such term is defined below) received during such month minus (ii) the aggregate cost of any expenses relating to the Cars paid by Lessee pursuant to this Lease or the CN Agreement. For the purpose of this Lease, "Gross Revenues" shall be defined as all revenues in the form of rents, car hire payments of any kind or any other payments (other than indemnification payments) collected pursuant to the CN Agreement, less any paid or accrued reclaims, rebates or incentive loads fees with respect to the Cars during such month. "Gross Allocated Portion" when used herein shall have the meaning ascribed to it in the Intercreditor Agreement attached hereto as Exhibit B.

3. Term of Lease: The term of this Lease as to each Car shall begin as of the date of commencement of the CN Agreement with respect to such Car and shall terminate with

respect to such Car on the date of any termination of the CN Agreement.

4. Maintenance, Taxes and Insurance:

(a) Except as otherwise provided herein, Lessor will pay all costs, expenses, fees and charges incurred in connection with the use and operation of each Car during its lease term and any extension thereof, including but not limited to taxes, repairs, maintenance and servicing.

(b) Lessor (or the Manager on behalf of Lessor) shall be responsible for the filing and payment of all taxes, assessments and other governmental charges of whatsoever kind or character which may be accrued, levied, assessed or imposed during the lease term and which relate to the operation and use of any Car, except taxes on income imposed on Lessee.

5. Identification Marks: The Lessor will permit each Car to be numbered with the names or initials or other insignia required under the CN Agreement or customarily used by CN on railroad equipment.

6. Risk of Loss: In the event that any Car shall be or become worn out, lost, stolen, destroyed, or irreparably damaged, from any cause whatsoever, or taken or requisitioned by condemnation or otherwise (any such occurrence being hereinafter called a "Casualty Occurrence") during the term of this Lease, Lessee shall promptly and fully notify Lessor with respect thereto. Lessee shall pay to Lessor an amount equal to any amounts either received by or payable by Lessee by way of settlement for destruction of any Car. Effective as of the date of any Casualty Occurrence, this Lease shall terminate with respect to any Car affected by such Casualty Occurrence. Lessor shall not be required to replace any Car which is the subject of a Casualty Occurrence.

7. Return of Cars: On termination of this Lease, Lessee will return the Cars to the Lessor at the location at which, and in the condition in which, the Cars are returned to Lessee at the termination of the CN Agreement.

8. Assignment - Use and Possession: Except as expressly provided herein, Lessee will not assign, transfer, encumber or otherwise dispose of its leasehold interest under this Lease, the Cars or any part thereof, or sublet the Cars or place any of the Cars in assigned service without the consent of the Lessor in writing first obtained. Lessee will not permit any encumbrances or liens, based upon any action or liability of Lessee, to be entered or levied upon any of the Cars.

9. Defaults; Remedies: If during the Term of this Agreement one or more of the following events ("Events of Default") shall occur:

(a) Default shall be made in the payment when due of any amount to be paid hereunder and such default shall continue for a period of three (3) business days; or

(b) Lessee shall attempt to remove, sell, transfer, encumber or sublet (except as expressly permitted under this Agreement) any Car; or

(c) A proceeding shall have been instituted in a court having jurisdiction in the premises, seeking a decree or order (i) for relief in respect of Lessee in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect or (ii) for the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of Lessee or for any substantial part of its property, or (iii) for the winding up or liquidation of the affairs of Lessee; and in any such case either (I) any such proceeding shall remain undismissed or unstayed and in effect for a period of 60 consecutive days or (II) such court shall enter a decree or order granting the relief sought in such proceeding; or

(d) Lessee shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of Lessee or for any substantial part of its property or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action in furtherance of any of the foregoing; or

(e) Lessee shall have knowledge that there has occurred and is continuing any condition, event, act or omission which it reasonably believes constitutes, or with notice or lapse of time would constitute, an Event of Default under the CN Agreement and shall fail within five (5) business days of learning thereof to notify Lessor of such condition, event, act or omission;

then, in any such case, Lessor at its option may:

A. Proceed by appropriate court action or actions either at law or in equity to enforce performance by Lessee of the applicable duties and obligations of Lessee under this Agreement; or

B. By notice in writing to Lessee, terminate this Agreement, whereupon all right of Lessee to the use of the Cars shall absolutely cease and terminate as though this Agreement had never been made, and thereupon, Lessor may by its agents and without notice to Lessee enter upon the premises of Lessee or other premises where the Cars may be located and take possession of all or any such Cars and thenceforth hold, possess and enjoy the same free from any right of Lessee, or its successors, sublessees or assigns, to use the Cars for any purpose whatever.

10. Indemnities: Lessor agrees to indemnify Lessee and hold it harmless from any loss, expense or liability which Lessee may suffer or incur from any charge, claim, proceeding, suit or other event which in any manner or from any cause arises in connection with the use, possession, or operation of the Cars while subject to this Lease, excepting only any such loss, expense or liability which arises solely from Lessee's gross negligence or willful misconduct or which arises as a result of the operation of the Cars on Lessee's lines and Lessee shall indemnify Lessor for such loss, expense or liability. The indemnities and assumptions of liability herein contained shall survive the termination of this Lease. Each party shall, upon learning of same, give the other prompt notice of any claim or liability hereby indemnified against. Lessee independently agrees that it shall not take any steps that would create any claim, lien, security interest or encumbrance with respect to any Car and, should any arise solely from the action of Lessee, it shall promptly discharge the same, nor will Lessee, without the prior consent of Lessor, sell, assign, transfer or sublet the Cars except pursuant to the CN Agreement.

11. Assignment of Revenues.

Pursuant to the terms of a Security Agreement in substantially the form attached hereto as Exhibit C, Lessee has granted the Agent (as such term is defined in the Intercreditor Agreement), a security interest in all of Lessee'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, as collateral security for the payment and performance of all obligations and duties of Lessee to Lessor arising under or by virtue of this Lease.

12. Amendment of Lease. Lessee will not take any action to amend, modify or cancel the CN Agreement in any respect without the prior written consent of Lessor.

13. Delay or Partial Exercise. No failure or delay on the part of Lessor in exercising any right, power or privilege hereunder shall operate as a waiver thereof or of any other right, power or privilege of Lessor hereunder, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege, provided, however, that Lessee shall not be liable to Lessor for any consequential or incidental damages suffered by Lessor as a result of any such delay on the part of Lessor. The rights and remedies of Lessor hereunder are cumulative and not exclusive of any rights or remedies which it may otherwise have.

14. Elections, Notices.

(a) Lessee shall not make any election under the CN Agreement or give CN notice of substitution of a Car, earlier termination or an event of default without obtaining Lessor's prior consent thereto. Any notice required hereunder,

if given in writing, shall be sent by registered or certified mail, postage prepaid, return receipt requested, to that address set forth beneath the appropriate party's signature. Either party may change such address by written notice to the other.

(b) Within three (3) business days of its receipt of written instruction to do so from Lessor, Lessee shall take appropriate action (i) to exercise any option, make any election, or grant any consent which Lessee, under the CN Agreement, has the power to exercise, make or grant, or (ii) to enforce any rights possessed by Lessee under the CN Agreement.

(c) In the event that any proceeding is instituted by Lessee to enforce its rights under the CN Agreement, such proceedings shall be conducted at Lessor's expense by counsel satisfactory to Lessor and in accordance in all respects with the reasonable instructions of Lessor.

(d) Lessee shall have no obligation to institute or maintain any proceeding to enforce its rights under the CN Agreement, if Lessee has previously assigned to Lessor, by means of a valid, binding, and enforceable assignment, all of its rights to institute and maintain such proceeding.

15. Arbitration. Should any arbitration arise under the CN Agreement, Lessee shall promptly advise Lessor thereof and shall follow any reasonable instructions received from Lessor in regard thereto. Lessee agrees it shall undertake no settlement or appoint any arbiter thereunder without Lessor's prior consent. Lessee shall not be liable for any damage or liability sustained or incurred by Lessor relating to Lessor's failure to promptly appoint an arbiter or otherwise comply with or instruct Lessee to so comply with the terms of any arbitration provisions contained in the CN Agreement.

16. Compliance with Laws and Regulations This Lease is subject to all federal, state and other laws, rules, regulations, and ordinances which may now or hereafter affect, change or modify the terms or conditions hereof or render unlawful the performance of any of its provisions. Lessor shall comply with all governmental law, regulations and requirements and with the Code of Rules of the Association of American Railroads with respect to the use, maintenance and operation of such Cars subject to this Lease, and will file and record the same with the Interstate Commerce Commission in accordance with Section 11303 of the Interstate Commerce Act.

17. Prior Understandings. Prior understandings and agreements between the parties with respect to the Cars are merged herein, and all rights of the parties in respect of such Cars shall be governed by this Lease.

18. Notices. Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when deposited in the United States Certified mails, first class, postage prepaid, addressed to the address set forth with respect to such party in the first paragraph of this Lease

or addressed to either party at such other address as such party shall hereafter furnish to the other party in writing.

19. Assignments by Lessor; Payments to Manager. Lessor shall have the right to assign this Lease, and all its interests herein, to any entity without the prior consent of Lessee. Lessor has appointed Emons Industries, Inc. (the "Manager") as its Manager with respect to the Cars. Payments due Lessor hereunder shall be made to Manager; provided, however, that Lessee shall make payments hereunder directly to Lessor (i) upon Lessee's receipt of written notice from Lessor that (a) an Event of Default by Manager has occurred and is continuing under the Management Agreement between Lessor and Manager or (b) the Management Agreement has for any reason terminated with respect to the Cars; or (ii) automatically, without notice or other action by Lessor, upon Lessee's receipt of notice of any kind of any filing after the date hereof of a petition under any bankruptcy, insolvency or moratorium law by or against Manager.

20. Severability, Effect and Modifications of Lease. Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction.

21. Governing Law. This Lease 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 Lease the day and year first above written.

ATTEST:

BY: _____

BAMERILEASE CAPITAL CORPORATION

BY: _____

ATTEST:

BY: _____
Secretary

THE MARYLAND AND PENNSYLVANIA RAILROAD COMPANY

BY: _____
VICE PRESIDENT

STATE OF ~~NEW YORK~~ California)
) ss.:
COUNTY OF ~~NEW YORK~~ San Francisco)

On the 11th day of January, 1988 before me personally appeared Theodore J. D. Gomez, to me personally known, who being by me duly sworn, says that he is the _____ of BAMERILEASE CAPITAL CORPORATION, Lessor in the foregoing Lease of Railroad Equipment, 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.

OFFICIAL SEAL
MARGE DYBDAHL
NOTARY PUBLIC - CALIFORNIA
SAN FRANCISCO COUNTY
My comm. expires MAY 20, 1988

Marge Dybdahl
Notary Public

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

On the 22 day of February, 1988 before me personally appeared Richard E. Meyerle, to me personally known, who being by me duly sworn, says that he is the Vice President of the Maryland and Pennsylvania Railroad Company, Lessee in the foregoing Lease of Railroad Equipment, 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 Wilczek
Notary Public

ANNMARIE WILECZEK, Notary Public
York, York County, Pennsylvania
My Commission Expires April 15, 1990

B

EXHIBIT A

INIT	NUMBER
GPA	38100
GPA	38101
GPA	38102
GPA	38103
GPA	38104
GPA	38105
GPA	38106
GPA	38108
GPA	38107
GPA	38111
GPA	38113
GPA	38114
GPA	38115
GPA	38117
GPA	38118
GPA	38121
GPA	38122
GPA	38123
GPA	38124
GPA	38125
GPA	38126
GPA	38127
GPA	38130
GPA	38131
GPA	38132

Number of Observations: 25

EXHIBIT B

INTERCREDITOR AGREEMENT

Agreement entered into as of the 4th day of January, 1988, among WILMINGTON TRUST COMPANY, a Delaware state banking association with an office at Rodney Square North, Wilmington, Delaware 19890 ("WTC"), as agent hereunder ("Agent"), BAMERILEASE CAPITAL CORPORATION, a California corporation with an office at 555 California Street, San Francisco, California 94137 ("BCC"), ET RAILCAR CORPORATION, a Delaware corporation with an office at 3224 Skycroft Drive, Minneapolis, Minnesota 55418 ("ET"), THE CONNECTICUT BANK & TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association, with an office at One Constitution Plaza, Hartford, Connecticut 06115 ("CBT"), not in its individual capacity but solely as owner-trustee (hereinafter referred to as "Lessor") under two trust agreements dated December 18, 1979 and January 21, 1980 between CBT and Chase Manhattan Services Corporation, and SIGNET LEASING AND FINANCIAL CORPORATION, a MARYLAND corporation, with an office at 7 St. Paul Street, Baltimore, Maryland 21202 ("Signet", and together with BCC, ET, and CBT, the "Lessors"), THE MARYLAND AND PENNSYLVANIA RAILROAD COMPANY, a Maryland and Pennsylvania corporation with an office at One West Market Street, York, Pennsylvania 17401 (the "M&P") and EMONS INDUSTRIES, INC., a New York corporation with an office at One West Market Street, York, Pennsylvania 17401 ("Emons").

Pursuant to an Agreement (the "CN Agreement") dated as of _____, 1987, between the M&P, as lessor, and Canadian National Railway Company ("CN") as lessee, the M&P will provide to CN two hundred eighty-nine (289) boxcars.

Pursuant to four Lease Agreements dated as of the date hereof described on Schedule A attached hereto, between the several Lessors and the M&P, as lessee (collectively, the "Master Leases"), the Lessors have leased to the M&P a total of two hundred eighty-nine (289) boxcars (the "Cars") with the understanding that those cars will be provided to CN pursuant to the CN Agreement.

Each Lessor has entered into a Management Agreement with Emons (collectively, the "Management Agreements"), and each will instruct the M&P to pay to Emons, as Manager, all rent due under the Master Lease to which such Lessor is a party, so long as no

Event of Default by the M&P has occurred and is continuing thereunder.

Pursuant to a Security Agreement dated as of the date hereof, the M&P has granted to the Agent, for the benefit of the Lessors, a collateral assignment of all right, title and interest of the M&P in and to the CN Agreement and the rent due and payable from time to time thereunder as security for the several obligations of the M&P to the Lessors under the Master Leases.

The Lessors wish, on the terms and conditions set forth herein, to provide, among other things, for the manner of exercise of the rights which they will jointly hold in the CN Agreement.

NOW, THEREFORE, the parties hereto agree:

(1) Definitions. In addition to the words and terms defined elsewhere in this Agreement, the following terms shall have the following meanings when used herein:

"Trust Funds" shall mean any funds received by the Agent, at any time or from time to time, pursuant to Section 2 of this Agreement.

"Gross Allocated Portion" as to each Lessor shall mean a portion of any Trust Funds which may be held from time to time by the Agent which represent hourly, mileage or similar car hire fees, equal to the Actual Car Performance Amount of such Trust Funds.

"Net Allocated Portion" as to each Lessor shall mean the Gross Allocated Portion of any Trust Funds which may be from time to time held by the Agent less an amount equal to the due and payable (but unpaid) Total Expenses, if any, under the Management Agreement to which such Lessor is a party.

"Actual Car Performance Amount" as to any Lessor shall mean a portion of any Trust Funds held by the Agent which represent hourly, mileage or similar car hire fees equal to the portion thereof which represents the sum of all hourly, mileage and similar car hire fees actually attributable to the operation of such Lessor's cars.

"Secured Obligation", when used with reference to any Lessor, shall mean any obligation of the M&P to pay money to such Lessor pursuant to the Master Lease to which such Lessor is a party.

"Total Expenses" shall have the meaning ascribed to it in the Management Agreements.

(2) Appointment of Agent and Payment of Trust Funds.

(a) The Lessors appoint WTC to serve as agent hereunder, and WTC accepts such appointment.

(b) Upon the occurrence and during the continuance of any Event of Default (as defined in each of the Master Leases), unless such Event of Default shall have been waived by the Lessor that is a party to the Master Lease under which such Event of Default has occurred, such Lessor shall have the right to direct CN to pay to the Agent all rents payable to the M&P pursuant to the CN Agreement.

(3) Disbursement of Trust Funds. (a) Promptly after receiving any Trust Funds which represent hourly, mileage or similar car hire fees, the Agent shall distribute such Trust Funds by disbursing

(i) to each Lessor a portion of such Trust Funds equal to such Lessor's Net Allocated Portion; and

(ii) to Emons, as manager under the Management Agreements, a portion of such Trust Funds equal to the due and payable (but unpaid) Total Expenses under the Management Agreements.

(b) Promptly after receiving any Trust Funds which represent a settlement payment with respect to a lost, stolen or destroyed car pursuant to Interchange Rules of the Association of American Railroads or any other payment with respect to a lost, stolen or destroyed car, the Agent shall pay such amount to the Lessor which owns such destroyed car less, any amount payable to Emons pursuant to Section 7(d) of the Management Agreement to which such Lessor is a party.

(c) All funds paid by the Agent to any Lessor shall be applied to the obligations of the M&P to such Lessor or shall be applied as otherwise provided by law.

(4) Reliance. The Agent may rely upon any written notice, instruction or other advice or communication received by it from any Lessor pursuant to this Agreement and need not question the validity of such notice, instruction or other advice or communication or the qualifications of the party giving the same, and the Agent shall not have any liability to the parties hereto for any action taken or omitted in good faith reliance on

any such written notice, instruction or other advice or communication, in the absence of gross negligence or willful misconduct by the Agent. Moreover, where relevant, any such notice, instruction or other advice or communication shall contain complete instructions as to any action to be taken and the Agent shall, to the extent appropriate in accordance with this Agreement, comply with such instructions. Notwithstanding anything to the contrary provided herein, in the event that the Agent shall for any reason be uncertain as to his duties or rights hereunder, or shall receive instructions from any of the parties hereto with respect to any Trust Funds which, in its opinion, are in conflict with applicable law or with any of the provisions of this Agreement, it may refrain from taking any action other than to keep safe the Trust Funds until it shall be directed otherwise by joint written instructions of the parties hereto or by final unappealable order of a court of competent jurisdiction.

(5) Limitations on Duties. The Agent shall have no duties or responsibilities except those expressly set forth herein and shall have no liability to the parties hereto for any action taken or omitted in good faith which does not constitute gross negligence or willful misconduct. The Agent may consult with counsel and shall have no liability to any party hereto with respect to any action taken or omitted in good faith on advice of such counsel. This Agreement sets forth the entire understanding of the parties hereto. The Agent shall not be bound by any amendment of this Agreement unless in writing and signed by the other parties hereto and, if the Agent's duties hereunder are affected, unless it shall have given prior written consent thereto.

(6) (a) The parties hereto shall be jointly liable for, and hereby agree to indemnify the Agent and its successors, assigns, agents and servants, from and against any and all liabilities, obligations, losses, damages, taxes, claims, actions, suits, costs, expenses and disbursements, (including legal fees and expenses) of any kind and nature whatsoever (collectively, "Expenses") which may be imposed on, incurred by or asserted at any time against the Agent (whether or not indemnified against by other parties) in any way relating to or arising out of this Agreement or any agreement contemplated hereby, except for any Expenses relating to or arising out of the gross negligence or willful misconduct of the Agent. The indemnities contained in this Section 6(a) shall survive the termination of this Agreement. The Agent shall have a lien on the Trust Funds for any compensation and indemnity due hereunder.

(b) Agent shall not be required to take any action or refrain from taking any action under this Agreement

unless Agent shall have been indemnified by the parties hereto, in a manner and form satisfactory to Agent, against any liability, cost or expense (including legal fees and expenses) which may be incurred in connection therewith. Agent shall not be required to take any action nor shall any other provision of this Agreement be deemed to impose a duty on Agent to take any action, if Agent shall have reasonably determined or shall have been advised by counsel that such action is likely to result in liability on the part of Agent or is contrary to the terms hereof or of any document contemplated hereby to which Agent is a party, or is otherwise contrary to law.

(7) Notices. Any notice, instruction or other advice or communication required or permitted to be given hereunder shall be in writing and shall be mailed by registered or certified mail, return receipt requested, or delivered against receipt to the party to which it is to be given at the address set forth in the first paragraph of this Agreement, (or to such other address as the party in question shall have furnished in writing in accordance with the provisions hereof). Any notice, direction or other advice or communication given by registered or certified mail shall be deemed given at the time of mailing hereof.

(8) Expenses. The Lessors shall promptly pay the fees of the Agent and reimburse the Agent for all reasonable expenses which it incurs in connection with the performance of its duties hereunder.

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

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective representatives thereunto duly authorized, as of the date first above written.

EMONS INDUSTRIES, INC.

By:_____

(SIGNATURES FOLLOW)

THE MARYLAND AND PENNSYLVANIA RAILROAD COMPANY

By:_____

BAMERILEASE CAPITAL CORPORATION

By:_____

ET RAILCAR CORPORATION

By:_____

THE CONNECTICUT BANK & TRUST COMPANY, NATIONAL ASSOCIATION, as owner-trustee

By:_____

SIGNET LEASING AND FINANCIAL CORPORATION

By:_____

WILMINGTON TRUST COMPANY, as agent

By:_____

EXHIBIT A

DESCRIPTION OF FOUR LEASE AGREEMENTS BETWEEN LESSORS AND MPA

(1) Lease of Railroad Equipment between Bamerilease Capital Corporation and the Maryland and Pennsylvania Railroad Company for twenty-five (25) cars.

(2) Lease of Railroad Equipment between the Connecticut Bank and Trust Company, National Association as owner-trustee and the Maryland and Pennsylvania Railroad Company for ninety-three (93) cars.

(3) Lease of Railroad Equipment between E. T. Railcar Corporation and the Maryland and Pennsylvania Railroad Company for one hundred seventy (170) cars.

(4) Lease of Railroad Equipment between Signet Leasing and Financial Corporation and the Maryland and Pennsylvania Railroad Company for one (1) car.

EXHIBIT C

SECURITY AGREEMENT

SECURITY AGREEMENT dated as of _____, 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 _____, 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:

ATTEST: THE MARYLAND AND PENNSYLVANIA RAILROAD COMPANY

_____ By:_____
Title:

STATE OF :
:ss.:
COUNTY OF :

On the ____ day of _____, 1988, before me personally appeared _____ to me personally known, who, being by me duly sworn, says that he/she is the _____ 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.

_____
Notary Public

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

On the ____ day of _____, 1988, before me personally appeared _____ to me personally known, who, being by me duly sworn, says that he is the _____ 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.

_____
Notary Public