

ALVORD AND ALVORD  
ATTORNEYS AT LAW  
918 SIXTEENTH STREET, N.W.  
SUITE 200  
WASHINGTON, D.C.

20006-2973

(202) 393-2266  
FAX (202) 393-2156

RECORDATION NO. 20750 FILED

JUN 30 '97

4-00 PM

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

OF COUNSEL  
URBAN A. LESTER

June 30, 1997

*Container Parts*  
Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are four copies of a Memorandum of Master Security Agreement, dated as of June 30, 1997, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Borrower: Merco Joint Venture  
157 Albany Avenue  
Freeport, New York 11520

Lender: Fleet Capital Corporation  
50 Kennedy Plaza, 5<sup>th</sup> Floor  
Providence, Rhode Island 02903

A description of the railroad equipment covered by the enclosed document is:

Container cars and railcars bearing reporting marks and road numbers  
MERX 0001 through MERX 0113

Vernon A. Williams  
June 30, 1997  
Page 2

Also enclosed is a check in the amount of \$24.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return <sup>three</sup>~~one~~ stamped copy of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/bg  
Enclosures

JUN 30 '97

4-00 PM

Filed and Recorded with the

Department of Transportation

on \_\_\_\_\_  
at \_\_\_\_\_  
and given Recordation No. \_\_\_\_\_

MEMORANDUM OF MASTER SECURITY AGREEMENT dated as of June \_\_, 1997 by and between Fleet Capital Corporation, a Rhode Island corporation ("Lender") and Merco Joint Venture, a General Partnership ("Customer"), as such Master Security Agreement relates to Equipment Security Agreement No. 31259-00002 thereof (together, the "Master Security Agreement").

WITNESSETH:

1. Pursuant to the Master Security Agreement, Lender has agreed to finance for Customer, and the Customer has agreed to grant a security interest to the Lender in twenty-three (23) used articulated container railcars and ninety (90) used two unit articulated railcars bearing the Reporting Marks/Running Numbers and Serial Numbers set forth on Schedule A attached hereto.
2. The Master Security Agreement shall be effective as of the date set forth below and shall be subject to the Note term, as defined in the Master Security Agreement.

IN WITNESS WHEREOF, the Lender and the Customer have caused this Memorandum of Master Security Agreement to be signed and sealed by their respective duly authorized signatories as of the date set forth below.

Dated as of: June 30, 1997

Lender:

Fleet Capital Corporation

By: John P. Berry

Name: JOHN P. BERRY

Title: \_\_\_\_\_  
Assistant Vice President/Sr. Lender

Customer:

Merco Joint Venture

By: John P. Picone, Inc., a General Partner

By: John Picone

Name: John P. Picone

Title: President

By: Peter Scalamandre & Sons, Inc.,  
a General Partner

By: Fred Scalamandre

Name: FRED SCALAMANDRE

Title: Pres.



SCHEDULE A EQUIPMENT

Attached to and made part of the following documents: Equipment Security Agreement Schedule No. 31259-02, Memorandum of Master Equipment Lease Agreement, UCC Financing Statement(s) with Merco Joint Venture.

Table with 4 columns: Qty, Description, Model No., Serial No.
Row 1: 23 Used Articulated Container Cars, Vendor: Berwick Freight Car Company, P.O. Box 321, Berwick, PA 18603, Serial No. MERX 0001 thru MERX 0023
Row 2: 90 Used (2) Unit Articulated Railcars, Vendor: Johnstown America Corporation, Freight Car Division, 17 Johns Street, Johnstown, PA 15901, Serial No. MERX 0024 thru MERX 0113

AND ALL STANDARD AND ACCESSORY EQUIPMENT.

FLEET CAPITAL CORPORATION

MERCO JOINT VENTURE

BY: [Signature]
NAME: JOHN P. BERARD
TITLE: AVP

BY: JOHN P. PICONE, INC., a General Partner
BY: [Signature]
NAME: JOHN P. PICONE
TITLE: President

BY: PETER SCALAMANDRE & SONS, INC., a General Partner
BY: [Signature]
NAME: FRED SCALAMANDRE
TITLE: Pres.

LESSEE'S NOTARY FORM

STATE OF: NEW YORK

SS.

COUNTY OF: NASSAU

On 6/25/97 before me, MARTIN S. LEVINE  
(Notary Name and Title)

personally appeared JOHN P. PIERCE personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to within the instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature: [Signature]

MARTIN S. LEVINE  
Notary Public, State of New York (Notary Seal)  
No. 01LE4741038  
Qualified in Westchester County  
Commission Expires June 30, 1997

LESSEE'S NOTARY FORM

STATE OF: NEW YORK

SS.

COUNTY OF: NASSAU

On 6/25/97 before me, MARTIN S. LEVINE  
(Notary Name and Title)

personally appeared FRED SCALAMANDE personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to within the instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature: [Signature]

MARTIN S. LEVINE  
Notary Public, State of New York (Notary Seal)  
No. 01LE4741038  
Qualified in Westchester County  
Commission Expires June 30, 1997

**LESSOR'S NOTARY FORM**

STATE OF: Rhode Island

COUNTY OF: Providence

SS.

On June 30, 1997 before me, Donna Daniel, Notary  
(Notary Name and Title)

personally appeared John P. Berry personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to within the instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature: Donna Daniel

(Notary Seal)