

SECURITY AGREEMENT AND ASSIGNMENT

DATED AS OF JANUARY 10, 1975

Between

RADNOR ASSOCIATES, LTD.

Debtor

Valley Forge Executive Mall

676 Swedesford Road

Wayne, Pennsylvania 19087

and

INDUSTRIAL VALLEY BANK AND TRUST COMPANY

Secured Party

1700 Market Street

Philadelphia, Pennsylvania

and

THE PHILADELPHIA NATIONAL BANK

Secured Party

Broad and Chestnut Streets

Philadelphia, Pennsylvania

RECORDATION NO. 7939
Filed & Recorded
JUN 02 1975-10 40 AM
INTERSTATE COMMERCE COMMISSION

Filed and recorded with the Interstate Commerce Commission
pursuant to Section 20c of the Interstate Commerce Act on

SECURITY AGREEMENT AND ASSIGNMENT

This Agreement is made as of the Tenth day of January, 1975 by and between RADNOR ASSOCIATES, LTD., Valley Forge Executive Mall, 676 Swedesford Rd., Wayne, Pennsylvania (hereinafter the "Debtor"), INDUSTRIAL VALLEY BANK AND TRUST COMPANY, a state banking association organized and existing under the laws of the state of Pennsylvania with its principal office at the 1700 Market Street in Philadelphia, Pennsylvania, and THE PHILADELPHIA NATIONAL BANK, a national banking association organized and existing under the laws of the United States of America with its principal office at the northeast corner of Broad and Chestnut Streets, Philadelphia, Pennsylvania (hereinafter, either individually or jointly the "Secured Party", which term shall include successors and assigns) to induce Secured Party to lend Debtor the aggregate sum of *FOUR HUNDRED EIGHTY-FIVE THOUSAND, SIX HUNDRED TWENTY-SEVEN AND NO/100 DOLLARS (\$485,627.00)* prior to June 30, 1975 and to secure the repayment of such indebtedness as is evidenced by Debtor's non-recourse Secured Note dated not later than June 30, 1975 (in form of Exhibit "A" hereto), bearing interest as provided therein, and to further induce Secured Party to lend Debtor the additional sum of *APPROXIMATELY SIXTY THOUSAND DOLLARS (\$60,000.00)* prior to December 31, 1975 and to secure the repayment of such indebtedness as is evidenced by the First Supplement to Debtor's non-recourse Secured Note dated not later than December 31, 1975 (in the form of the First Supplement to the Non-Recourse Secured Note attached to Exhibit "A" hereto), bearing interest as provided therein (hereinafter, either individually or jointly the "Note"), and any renewal or extension thereof and also in order to secure: (1) all costs and expenses incurred in the collection of the Note and enforcement of Secured Party's rights thereunder and hereunder;

(2) all future advances made by Secured Party for taxes, levies, insurance and repairs to or maintenance of the collateral (as that term is hereinafter defined); (3) interest on (1) and (2); and (4) any renewal, extensions or any other obligations of Debtor to Secured Party whether mature or immature, direct or indirect, absolute or contingent.

WARRANTIES AND REPRESENTATIONS

The Debtor makes the following representations and warranties to Secured Party: That

(i) The Debtor is in the business of arranging equipment leases and acquisition of property for leasing to others;

(ii) Debtor is not now nor was, within the four (4) months prior to the date hereof, insolvent;

(iii) There are not claims or proceedings pending, or to the knowledge of Debtor threatened, against or affecting Debtor or to which any property or rights of Debtor are subject, in any court, or before any governmental authority which involve the possibility of materially and adversely affecting the business of Debtor to perform this Agreement. The Debtor is not in default with respect to any order of any court or governmental authority;

(iv) To the best of Debtor's knowledge, all tax returns required to be filed by Debtor in all jurisdictions have been filed, and no United States taxes, assessments, fees, liens or other federal charges or claims upon or against Debtor or any of its properties or income have been imposed or made;

(v) Compliance by Debtor with all of the provisions hereof (1) is within the powers of Debtor; (2) is not and will not be in conflict with nor result in any breach in any of the provisions of, or constitute a default or result in the creation of any lien or encumbrance upon any property of Debtor under the provisions of any law, regulation, governmental order, agreement or other instrument to which Debtor is a party or by which it may be bound;

(vi) No event has occurred and no condition exists which after notice or lapse of time, or both, would constitute a default under this Agreement. Debtor is not in default under the provisions of any agreement or other instrument, law, or regulation or governmental order to which Debtor is a party or by which Debtor may be bound; and

(vii) Neither the nature of Debtor, its business or property nor any relationship between Debtor and any other person, nor any circumstance in connection with the offer, issue, sale or delivery of the Note or the execution and delivery of this Agreement is such as to require a consent, approval or authorization of, or filing, registration or qualification with, any governmental authority on the part of Debtor.

SECURITY INTEREST AND ASSIGNMENT OF LEASE

Debtor hereby gives the Secured Party a security interest in the property described in the "Schedule of Equipment", attached hereto, made a part hereof marked Exhibit "B", which is to be purchased with the proceeds of the loan being made by the Secured Party of even date herewith, together with all replacements, repairs, component parts; substitutions and additions thereto, and all accessions and attachments which may not be removed without impairing the value of that property, and all proceeds thereof (all of the foregoing referred to collectively hereinafter as the "Collateral"). Debtor has agreed to lease the Collateral to Andrew L. Lewis, Jr. and Joseph L. Castle, Trustees of the property of Reading Company (hereinafter "the Lessee") under an Agreement to Lease Equipment dated as of January 10, 1975 (hereinafter "the Lease"), a true and correct copy of which is attached hereto, made a part hereof marked Exhibit "C". Debtor hereby assigns to and gives the Secured Party a security interest in the Lease and in and to all of Debtor's right, title and interest in all sums due or to become due under the Lease as further security for the sums due under the Note (such sums referred to hereinafter as "Liabilities").

Debtor represents that the Collateral shall be paid for with the proceeds of the Note and Debtor's funds, is subject to no liens or other interests (including tax liens), excepting the Lease, and is to be used by the Debtor as contemplated in the Lease.

It is an express condition of this Agreement that if and when Debtor shall pay the Secured Party the sums due under the Note as provided therein, then the security interests created and assignments affected by and pursuant to this Agreement shall be terminated.

COVENANTS

Debtor covenants and agrees:

(a) To forever defend the Collateral against any claim of any person of any interest therein;

(b) That all replacements, repairs, substitutions, and component parts of or to the Collateral, and all attachments and accessions to the Collateral which may not be removed without impairing the value thereof are or shall become subject to the terms of this Security Agreement;

(c) To comply with all requirements of law in order to grant and preserve a valid lien upon the security interest in the Collateral in favor of the Secured Party;

(d) Not to use the Collateral in violation of any law;

(e) Not to sell, or make any assignment or transfer of any interest in, or create a security interest in, mortgage or in any way encumber the Collateral except as provided herein; provided, that Debtor may permit Lessee to assign or transfer its interest in the Collateral to a third party as provided in the Lease;

(f) To allow Secured Party and its representatives or its assigns, free access to and right of inspection of the Collateral at all times;

(g) In the event of loss or damage to all or any part of the Collateral (short of the total destruction thereof) of which Debtor has knowledge, promptly to send written notice thereof to the Secured Party or its assigns, and to cause the same to be repaired or replaced in a manner satisfactory to Secured Party;

(h) To give notice to the Secured Party immediately of any legal proceedings of which Debtor has knowledge wherein the Collateral is in any manner seized, or possessed or wherein seizure or possession may be threatened or attempted, and of the institution of any legal proceedings relative to the solvency of Debtor,

and to defend against the same and to pay any reasonable expenses (including attorney's fees) of Secured Party resulting therefrom;

(i) To perform and comply and to use its best efforts to cause Lessee to conform and comply with the terms of the Lease;

(j) To notify Secured Party of any change in name or mailing address or place of business of Debtor in advance of such change;

(k) To pay or cause Lessee to pay all taxes, assessments and charges levied on the Collateral or on account of the use, storage, maintenance or repair thereof or upon Debtor solely by reason of its ownership thereof and to keep at all times all and every part of the Collateral free and clear of all such taxes, assessments or charges which might in any way affect the title of Debtor to, or the interest of Secured Party in, or result in a lien upon, any of the Collateral, and annually, or more frequently upon request, Debtor shall promptly deliver to Secured Party receipts evidencing payment thereof (if any there shall be);

provided, however, that if Lessee shall in good faith, and by proper legal action, contest any tax, claim, lien, encumbrance or other charge, or the validity thereof, and shall have established on its books a reserve for the payment thereof in such amount as Debtor may require, then Lessee shall not be required to pay the same, or to produce such receipts, during the maintenance of said reserve and as long as such contest operates to prevent collection, and is maintained and prosecuted with diligence, and shall not have been terminated or discontinued adversely to Lessee; and further provided that the non-payment thereof will not, in the opinion of the Secured Party, materially adversely affect the Collateral or rights of the Secured Party hereunder; and still further provided that such tax assessment or charge shall be paid forthwith upon the commencement of proceedings to foreclose any lien securing the same;

(1) In the event any tax, assessment or charge shall have been charged or levied against the Secured Party directly, or in the event that Debtor fails to pay any tax, assessment or charge as aforesaid, and the same is paid by the Secured Party, to reimburse the Secured Party therefore on demand, any premiums,

taxes, assessments and charges so paid by the Secured Party shall be a part of the Liabilities and shall be payable on demand, with interest at the rate equal to 3% above the prime rate of the Secured Party in effect from time to time;

(m) To indemnify, protect and hold harmless the Secured Party from and against any and all liability, claims, demands, costs, charges and expenses, including but not limited to reasonable counsel fees, in any manner imposed upon or accruing against Secured Party because of the Secured Party's interest in the Collateral. The foregoing covenants of indemnity shall continue throughout the term of the loan;

(n) To cause Lessee to pay, or upon Lessee's failure to do so, to pay itself all costs of filing any financing, continuation or termination statements with respect to the security interest created by this Security Agreement; and

(o) The Secured Party is hereby irrevocably appointed Debtor's attorney-in-fact (which appointment is coupled with an interest) to do, at Secured Party's option and at Debtor's expense, all acts and things which Secured Party may deem necessary to perfect and

continue perfected the security interest created by this Security Agreement and to protect the Collateral, including but not limited to the execution of financing statements.

Debtor further covenants and agrees that, in case a Default shall occur in the payment of Liabilities or any part thereof or a Default or Breach shall occur with respect to any of the terms of this Security Agreement, or the Note, or Debtor shall breach any warranty or agreement herein provided, or the institution of any proceeding in bankruptcy or receivership or insolvency by or against Debtor, or of any proceeding against the Collateral, or in case the Lease between Debtor and Lessee is wholly terminated for any reason whatsoever, or is in Default and Debtor fails to pay the Liabilities as they become due pursuant to the provisions of the Note, the Secured Party may, at its option, declare all of the Liabilities to be immediately due and payable, together with all accrued interest thereon, and Secured Party shall have all of the rights of a secured party under the Uniform Commercial Code, the Interstate Commerce Act, or other applicable law and all rights provided herein, all of which rights and remedies shall, to the full extent permitted by law, be cumulative. The Debtor hereby authorizes and empowers Secured Party, with the aid and assistance of any person, to enter upon any premises of Lessee where the Collateral may be located or such other place as the Collateral may be located, without process of law, and to procure and retain the Collateral for its account or at any time or times to dispose of the same, at public or private sale upon such notice as is required

by law, and from any proceeds received by Secured Party to pay any and all expenses incurred by Secured Party in connection with or incidental to the repossession, any attempted repossession, holding, storage, preparation for sale, and the sale, including Secured Party's legal expenses, and then to pay said Liabilities in such order and amount as Secured Party shall determine. Any remaining surplus shall be paid to Debtor.

Debtor waives a trial by jury and the right to interpose any counterclaim or offset of any nature of description in any litigation between Debtor and Secured Party with respect to this Security Agreement, any claim arising out of, relating to or connected with the loan and the Note secured hereby, the Collateral or taking of possession thereof by Secured Party.

Secured Party shall not by any act, delay or omission or otherwise be deemed to have waived any right or remedy on any future occasion.

The Collateral is and shall remain personalty during the term of this Security Agreement.

This Security Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

All notices shall be deemed to have been given when sent by certified or registered mail to the last known address of the person to whom notice is being given.

Interest under the Security Agreement shall be determined on the basis of a 360-day year of twelve 30-day months.

This is the entire Security Agreement between Debtor and Secured Party and may not be changed, modified or discharged in whole or in part and no right or remedy of the Secured Party hereunder or under the Note may be waived except by written agreement signed by the Secured Party.

Debtor acknowledges receipt of an executed copy of this Security Agreement.

It is the intention of the parties that the provisions of the Note and this Security Agreement shall be in conformity with the laws of any state, territory or governmental authority wherein or before whom it may be sought to be enforced and, if it should appear that any of the provisions hereof are in conflict with any statute or rule of law of any such state, territory or governmental authority, then such provisions shall be deemed inoperative and null and void to the extent that they may conflict therewith and shall be deemed modified to conform with such statute or rule of law.

Secured Party agrees for itself and its successors and assigns that so long as the Lessee shall not be in default under the Lease, Secured Party will not attempt to take possession of the Collateral or otherwise exercise any of its rights hereunder to the Collateral, and Lessee shall have quiet enjoyment of the Collateral during the term of the Lease without interference by the Secured Party or its successors and assigns. The foregoing to the contrary notwithstanding, so long as possession by the Lessee is not disturbed, in the event of default by Debtor, Secured Party at its option, may take title to the Collateral, and Debtor agrees to execute any document necessary to cause title to pass or to evidence the same.

If the services of any attorney be employed for the enforcement of any of the obligations of the Debtor, or of the rights of the Secured Party, either by suit or otherwise, Debtor agrees to pay reasonable attorney's fees, and suit may be instituted by Secured Party or its successors and assigns, in any county, city or township of the Commonwealth of Pennsylvania, and Debtor, or anyone claiming under Debtor, hereby waives the right to move for a change of the place of trial, and agrees that such suit may be tried in the county, city or township where instituted.

Anything in this Security Agreement, the Note, the Lease, any certificate, opinion, or document of any nature whatsoever to the contrary notwithstanding, neither the Secured Party nor its successors or assigns shall have any claim, remedy or right to proceed (in law or in equity) against Debtor, for the payment of any deficiency or any other sum owing on account of the indebtedness evidenced by the Note (including without limitation any costs of collection) or for the payment of any liability resulting from the breach of any representation, agreement, covenant, indemnification or warranty of any nature whatsoever (except in the case of a fraudulent statement or representation by Debtor) from any source other than the Collateral and the sums due and to become due under the Lease; and the Secured Party waives and releases Debtor of any personal liability for and on account of such indebtedness and agrees to look solely to the Collateral and the sums due and to become due under the Lease for the payment of said indebtedness and the satisfaction of all such liability; provided, however, that nothing herein contained shall limit, restrict or impair the right of the Secured Party to accelerate the maturity of the Note upon a default thereunder, to bring suit and obtain a judgment against Debtor to enforce any rights which it has against Debtor under the terms of the Note or to foreclose the lien of this Security Agreement or otherwise realize upon the Collateral and the sums due and to

become due under the Lease, including the right to proceed against the Lessee under the Lease, all as provided in this Security Agreement.

This Security Agreement shall be governed by the laws of the Commonwealth of Pennsylvania.

Intending to be legally bound hereby, the parties hereto have executed this Security Agreement and Assignment as of the date and year first above written.

Attest:

Thomas Secretary
Title

(Corporate Seal)

RADNOR ASSOCIATES, LTD.

By [Signature]
Vice President Title

Attest:

[Signature]
Assistant Secretary Title

(Corporate Seal)

INDUSTRIAL VALLEY BANK AND TRUST COMPANY

By [Signature]
ASST Vice President Title

Attest:

[Signature]
COMMERCIAL OFFICER Title

(Corporate Seal)

THE PHILADELPHIA NATIONAL BANK

By [Signature]
W. T. RISKE
VICE-PRES. Title

COMMONWEALTH OF PENNSYLVANIA)
)
COUNTY OF PHILADELPHIA)

ss

On this 28th day of May, 1975 before me,
personally appeared Robert B. Hughes, to me personally
known, who, being by me duly sworn, says that he is Asst Vice President
of the INDUSTRIAL VALLEY BANK AND TRUST COMPANY, 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.

Rebecca C. Myers
Notary Public
Notary Public, Philadelphia, Philadelphia Co.
Commission Expires January 26, 1977

(Notarial Seal)

EXHIBIT "A" TO THAT CERTAIN SECURITY AGREEMENT AND ASSIGNMENT MADE AS OF
JANUARY 10, 1975 BY AND BETWEEN RADNOR ASSOCIATES, LTD., INDUSTRIAL
VALLEY BANK AND TRUST COMPANY AND THE PHILADELPHIA NATIONAL BANK

RADNOR ASSOCIATES, LTD.

NON-RECOURSE SECURED NOTE

FOR VALUE RECEIVED, Radnor Associates, Ltd. (hereinafter "Radnor") promises to pay to the order of Industrial Valley Bank and Trust Company ("IVB") and its assigns on or before March, 1977, as herein provided the principal sum of Four Hundred Eighty-Five Thousand, Six Hundred Twenty-Seven and NO/100 Dollars (\$485,627.00) in seven (7) consecutive quarterly installments in arrears (each in the amount specified in Schedule 1 attached hereto) and to pay the remaining Principal Outstanding in an eighth consecutive quarterly payment, together with interest from the date hereof until maturity on the principal balance from time to time remaining unpaid hereon at the rate of IVB's "Prime" rate of interest in effect on the day three calendar months proceeding each payment date, allowing for non-banking days as hereinafter provided, plus 2% per annum (computed on the basis of a 360-day year of 12 consecutive 30-day months), commencing with September, 1975 and continuing to and including March, 1977, together with interest on any overdue principal and interest at the rate equal to 2% above the prime rate of IVB in effect from time to time. Each quarterly installment shall be applied first to interest accrued on the unpaid principal hereof

NOTICE:

THIS NOTE HAS NOT BEEN REGISTERED PURSUANT TO THE SECURITIES ACT OF 1933 OR UNDER THE SECURITIES LAWS OF ANY STATE. THIS NOTE MAY BE OFFERED OR SOLD ONLY UPON COMPLETION OF AN APPROPRIATE REGISTRATION UNDER THE APPLICABLE SECURITIES LAWS OR IF AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE.

to the date of payment and the balance of such installment, if any, shall be applied to the unpaid principal balance hereof. This note may be prepaid by Radnor on any quarterly installment without penalty provided a sixty day (60-day) notice has been given in writing to IVB.

Philadelphia National Bank ("PNB") promises to pay to IVB the Principal Outstanding at some quarterly installment date during the first two years of this Note (selected at the option of PNB) and upon such payment Radnor shall have no further obligation or indebtedness to IVB hereunder. In consideration for such payment by PNB, Radnor promises to pay to the order of PNB and its assigns on or before March, 1982 as herein provided, such principal amount in consecutive quarterly installments (as given in Schedule 1), in arrears, together with interest from the date of payment to IVB until maturity on the principal balance from time to time remaining unpaid hereon at the rate of PNB's "Prime" rate of interest in effect on the day three calendar months preceeding each payment date, allowing for non-banking days as hereinafter provided, plus 2% per annum (computed on the basis of a 360-day year of 12 consecutive 30-day months), commencing with the date of takedown of funds and continuing to and including March, 1982, together with interest on any overdue principal and interest at the rate equal to 2% above the prime rate of PNB in effect from time to time. Each quarterly installment shall be applied first to interest accrued on the unpaid principal hereof to the date of payment and the balance of such installment, if any, shall be applied to the unpaid principal balance hereof.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, NO DEFAULT BY RADNOR SHALL OPERATE TO RELIEVE THE OBLIGATION OF PNB HEREUNDER.

IVB and PNB are collectively or individually referred to as "Holder" in the succeeding paragraphs.

In the event an item of Equipment referred to in that certain Lease Agreement which is Exhibit "C" to the Security Agreement (hereinafter "the Lease") suffers a casualty and is not replaced by the Lessee identified therein, payment, if any, of the Stipulated Loss Value (as that sum may be determined by reference to Exhibit "C" to the Lease) received by Radnor shall be used to prepay this Note without penalty in an amount which bears the same ratio to the principal amount then owing under this Note as the original cost of the item of Equipment suffering casualty bears to the total original cost of all Equipment covered by the Security Agreement prior to such casualty, plus accrued interest on the amount so prepaid.

All payments of principal and interest hereunder shall be made at the principal office of the Industrial Valley Bank and Trust Company, 1700 Market Street, Philadelphia, Pennsylvania, or, after PNB has become lender, The Philadelphia National Bank, Broad and Chestnut Streets, Philadelphia, Pennsylvania, or at such other place as the Holder hereof shall designate to Radnor in immediately available funds.

This Note is the Note referred to in that certain Security Agreement and Assignment dated as of January 10, 1975 (hereinafter the "Security Agreement") entered into between Radnor and IVB and PNB.

This Note and the Holder hereof, and Radnor, are entitled to all of the benefits and security provided for, by or referred to in the Security Agreement to which instrument reference is hereby made for a

statement thereof, including a description of the rights of the Holder of this Note and Radnor in respect thereof.

This Note may be declared due prior to its expressed maturity date in accordance with and on the terms and in the manner provided for in the Security Agreement. The terms and provisions of the Security Agreement, the rights and obligations of Radnor and rights of the Holder may be changed and modified only to the extent permitted by and as provided in the Security Agreement.

On and subject to the conditions contained in the Security Agreement, this Note is transferable by the Holder and is exchangeable for Notes of other denominations.

No failure on the part of the Holder in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy hereunder. No modification or waiver of any provision of this Note, nor any departure by Radnor therefrom, shall in any event be effective unless the same shall be in writing, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose given. Whenever any payment to be made under this Note shall be due on a Saturday, Sunday or public holiday under the laws of the Commonwealth of Pennsylvania, such payment shall be deemed to be payable on the next following business day, and such extension of time shall in such case not be included in computing interest, if any, in connection with such payment. Radnor agrees to pay costs and expenses reasonably incurred in connection with the

enforcement of this Note. This Note shall be deemed to have been made under and shall be governed by the laws of the Commonwealth of Pennsylvania in all respects, including matters of construction, validity and performance.

The remedies of the Holder as provided herein and in the Security Agreement shall be cumulative and concurrent and may be pursued singly, successively, or together against Radnor and/or the Collateral (as that term is defined in the Security Agreement) at the sole discretion of the Holder and shall not be exhausted by any exercise thereof but may be exercised as often as occasion therefor shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release of the same.

Radnor hereby waives and releases all errors, defects and imperfections in any proceedings instituted by the Holder under the terms of this Note, or under the Security Agreement, as well as all benefit that might accrue to Radnor by virtue of any present or future laws exempting the Collateral from attachment, levy, or sale under execution, or providing for any stay of execution, exemption from civil process or extension of time for payment.

Radnor shall pay the cost of any revenue, tax or other stamps now or hereafter required by law at any time to be affixed to this Note; and if any taxes be imposed with respect hereto, Radnor agrees to pay to the Holder upon demand the amount of such taxes, and hereby waives any contrary provisions of any rules or laws of court now or hereafter in effect.

Anything in this Note, the Security Agreement, that certain Lease Agreement made as of January 10, 1975 (the "Lease") among Radnor and

Andrew L. Lewis, Jr. and Joseph L. Castle, Trustees of the property of Reading Company (the "Lessee"), any certificate, opinion, or document of any nature whatsoever to the contrary notwithstanding, neither the Holder nor its successors or assigns shall have any claim, remedy or right to proceed (in law or in equity) against Radnor, for the payment of any deficiency or any other sum owing on account of the indebtedness evidenced by this Note (including without limitation any costs of collection) or for the payment of any liability resulting from the breach of any representation, agreement, covenant, indemnification or warranty of any nature whatsoever (except in the case of a fraudulent statement or representation by Radnor) from any source other than the Collateral and the sums due and to become due under the Lease; and the Holder by its acceptance of this Note waives and releases Radnor of any personal liability for and on account of such indebtedness and agrees to look solely to the Collateral and the sums due and to become due under the Lease for the payment of said indebtedness and the satisfaction of all such liability; provided, however, that nothing herein contained shall limit, restrict or impair the right of the Holder to accelerate the maturity of this Note upon a default hereunder, to bring suit and obtain a judgment against Radnor to enforce any rights which the Holder hereof has against Radnor under the terms of this Note or to foreclose the lien of the Security Agreement or otherwise realize upon the Collateral and the sums due and to become due under the Lease, including the right to proceed against the Lessee under the Lease, all as provided in the Security Agreement.

This Note Agreement has been executed in three original copies and each party hereto acknowledges by its signature receipt of one original copy. Upon payment of the Principal Outstanding by PNB to IVB, IVB shall deliver its original Note Agreement to Radnor marked "PAID IN FULL".

By accepting this Note, Holder agrees for itself and its successors and assigns that so long as the Lessee shall not be in default under the Lease, Holder will not attempt to take possession of the Collateral or otherwise exercise any of its rights in and to the Collateral, and Lessee shall have quiet enjoyment of the Collateral during the term of the Lease without interference by the Holder or its successors and assigns. The foregoing to the contrary notwithstanding, so long as possession by the Lessee is not disturbed, in the event of default by Debtor, Holder at its option may take title to the Collateral, and Debtor agrees to execute any Document necessary to cause title to pass or to evidence the same.

Attest:

RADNOR ASSOCIATES, LTD.

Title

By _____
Title

(Corporate Seal)

Attest:

Agreed and Accepted:

INDUSTRIAL VALLEY BANK AND TRUST COMPANY

Title

By _____
Title

(Corporate Seal)

Attest:

Agreed and Accepted:

THE PHILADELPHIA NATIONAL BANK

Title

By _____
Title

(Corporate Seal)

SCHEDULE OF PRINCIPAL REPAYMENT

<u>PAYMENT NUMBER</u>	<u>QUARTER ENDING</u>	<u>PRINCIPAL PAYMENT</u>	<u>PRINCIPAL OUTSTANDING</u>
1	Sept., 1975	11,929.04	485,627.00
2	December	12,286.91	473,697.96
3	March, 1976	12,655.52	461,411.05
4	June	13,035.18	448,755.53
5	September	13,426.24	435,720.35
6	December	13,829.03	422,294.11
7	March, 1977	14,243.90	408,465.08
8	June	14,671.21	394,221.18
9	September	15,111.35	379,549.97
10	December	15,564.69	364,438.62
11	March, 1978	16,031.63	348,873.93
12	June	16,512.58	332,842.30
13	September	17,007.96	316,329.72
14	December	17,518.20	299,321.76
15	March, 1979	18,043.74	281,803.56
16	June	18,585.06	263,759.82
17	September	19,142.61	245,174.76
18	December	19,716.89	226,032.15
19	March, 1980	20,308.39	206,315.26
20	June	20,917.64	186,006.87
21	September	21,545.17	165,089.23
22	December	22,191.53	143,544.06
23	March, 1981	22,857.27	121,352.53
24	June	23,542.99	98,495.26
25	September	24,249.28	74,952.27
26	December	24,976.76	50,702.99
27	March, 1982	25,726.23	25,726.23

Principal Outstanding is the loan amount outstanding as of the
Debt Quarter Ending prior to deduction of the currently due
Principal Payment.

FIRST SUPPLEMENT TO THAT CERTAIN NON-RECOURSE SECURED NOTE ATTACHED AS EXHIBIT "A" TO THAT CERTAIN SECURITY AGREEMENT AND ASSIGNMENT MADE AS OF JANUARY 10, 1975 BY AND BETWEEN RADNOR ASSOCIATES, LTD., INDUSTRIAL VALLEY BANK AND TRUST COMPANY AND THE PHILADELPHIA NATIONAL BANK

RADNOR ASSOCIATES, LTD.

NON-RECOURSE SECURED NOTE

FOR VALUE RECEIVED, Radnor Associates, Ltd. (hereinafter "Radnor") promises to pay to the order of Industrial Valley Bank and Trust Company ("IVB") and its assigns on or before _____, 1977, as herein provided the principal sum of

in five (5) consecutive quarterly installments in arrears (each in the amount specified in Schedule 1 attached hereto) and to pay the remaining Principal Outstanding in a sixth consecutive quarterly payment, together with interest from the date hereof until maturity on the principal balance from time to time remaining unpaid hereon at the rate of IVB's "Prime" rate of interest in effect on the day three calendar months proceeding each payment date, allowing for non-banking days as hereinafter provided, plus 2% per annum (computed on the basis of a 360-day year of 12 consecutive 30-day months), commencing with _____, 19____ and continuing to and including _____, 1977, together with interest on any overdue principal and interest at the rate equal to 2% above the prime rate of IVB in effect from time to time. Each quarterly installment shall be applied first to interest accrued on the unpaid principal hereof to the date of

NOTICE:

THIS NOTE HAS NOT BEEN REGISTERED PURSUANT TO THE SECURITIES ACT OF 1933 OR UNDER THE SECURITIES LAWS OF ANY STATE. THIS NOTE MAY BE OFFERED OR SOLD ONLY UPON COMPLETION OF AN APPROPRIATE REGISTRATION UNDER THE APPLICABLE SECURITIES LAWS OR IF AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE.

payment and the balance of such installment, if any, shall be applied to the unpaid principal balance hereof. This note may be prepaid by Radnor on any quarterly installment without penalty provided a sixty day (60-day) notice has been given in writing to IVB.

Philadelphia National Bank ("PNB") promises to pay to IVB the Principal Outstanding at some quarterly installment date during the first six quarters of this Note (selected at the option of PNB) and upon such payment Radnor shall have no further obligation or indebtedness to IVB hereunder. In consideration for such payment by PNB, Radnor promises to pay to the order of PNB and its assigns on or before _____, 1982 as herein provided, such principal amount in consecutive quarterly installments (as given in Schedule 1), in arrears, together with interest from the date of payment to IVB until maturity on the principal balance from time to time remaining unpaid hereon at the rate of PNB's "Prime" rate of interest in effect on the day three calendar months preceding each payment date, allowing for non-banking days as hereinafter provided, plus 2% per annum (computed on the basis of a 360-day year of 12 consecutive 30-day months), commencing with the date of takedown of funds and continuing to and including _____, 1982, together with interest on any overdue principal and interest at the rate equal to 2% above the prime rate of PNB in effect from time to time. Each quarterly installment shall be applied first to interest accrued on the unpaid principal hereof to the date of payment and the balance of such installment, if any, shall be applied to the unpaid principal balance hereof.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, NO DEFAULT BY RADNOR SHALL OPERATE TO RELIEVE THE OBLIGATION OF PNB HEREUNDER.

SCHEDULE OF PRINCIPAL REPAYMENT

<u>PAYMENT NUMBER</u>	<u>QUARTER ENDING</u>	<u>PRINCIPAL PAYMENT</u>	<u>PRINCIPAL OUTSTANDING</u>
1			
2			
3			
4			
5			
6			
7			
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Principal Outstanding is the loan amount outstanding as of the
Debt Quarter Ending prior to deduction of the currently due
Principal Payment.

EXHIBIT "B" TO THAT CERTAIN SECURITY AGREEMENT AND ASSIGNMENT MADE AS OF
JANUARY 10, 1975 BY AND BETWEEN RADNOR ASSOCIATES, LTD., INDUSTRIAL
VALLEY BANK AND TRUST COMPANY AND THE PHILADELPHIA NATIONAL BANK

SCHEDULE OF EQUIPMENT

	<u>Purchase Price</u>
4 Tamper Co. ballast regulators - #4209, 4210, 4211, 4212.	\$ 179,389.31
4 Kershaw tie plate sweepers - #4700, 4701, 4702 & 4703.	71,307.72
1 Plasser American Roadmaster Special production tamper - #4021.	95,296.54
2 Electromatic Junior Production tamper - #4022 & 4023.	193,559.70
less trade-in on present two machines	(19,000.00)
1 12 1/2 ton railroad crane - #5016.	101,521.40
Total Equipment included under initial Note and Security Agreement	<u>\$ 622,074.67</u>
* 1 Four spindle drill - #1091. (Approximate)	60,000.00
Total Equipment included under initial Note and Security Agreement and First Supplement to the Note	<u>\$ 682,074.67</u>

* This item will be added to the Collateral as defined in the Security Agreement and Assignment referenced above as of the date of execution of the First Supplement to the Non-Recourse Secured Note attached hereto as Exhibit "A" under the Security Agreement.