

HOURIGAN, KLUGER, SPOHRER & QUINN

A PROFESSIONAL CORPORATION

LAW OFFICES

SUITE SEVEN HUNDRED  
UNITED PENN BANK BUILDING  
WILKES-BARRE, PENNA. 18701  
(717) 825-9401

RETIRED

ANDREW HOURIGAN, JR.

FALVELLO LAW OFFICE BUILDING  
CONYNGHAM-DRUMS ROAD  
BOX A 103  
R. D. 1. SUGARLOAF, PA 18249  
(717) 788-4191

ALLAN M. KLUGER  
GEORGE A. SPOHRER  
JOSEPH A. QUINN, JR.  
RICHARD M. GOLDBERG  
ARTHUR L. PICCONE  
ANTHONY C. FALVELLO  
JOSEPH P. MELLODY, JR.  
WILLIAM F. ANZALONE  
CONRAD A. FALVELLO  
DAVID W. SABA  
NEIL L. CONWAY  
JOHN P. SANDERSON  
JOSEPH A. LACH  
RONALD V. SANTORA  
GLENN G. YANIK  
JORDAN H. PECILE  
THOMAS B. HELBIG  
BRIAN C. CORCORAN  
GERALD J. SHEKLETSKI  
JOHN D. NARDONE  
EUGENE D. SPERAZZA  
STEPHEN A. MENN

August 6, 1985

RECORDATION NO. 14768 Filed 1425

AUG 9 1985 - 10 30 AM

INTERSTATE COMMERCE COMMISSION

No. AUG 9 1985  
Date .....  
Fee \$ 10.00  
ICC Washington, D. C.

5-221A018

5-221A018

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Interstate Commerce Commission  
Recordation Unit  
Room 2303  
12th and Constitution Avenue, N. W.  
Washington, D. C. 20423

Attention: Mildred Lee

Re: Security Agreement for Recordation  
under 49 USC Section 11303

Dear Ms. Lee:

I enclose an original and two executed copies, which have been acknowledged, of a Security Agreement between Pocono Northeast Railway, Inc. as debtor, and United Penn Bank, as creditor, together with a check for \$10.00 to cover your recordation fee.

Please return conformed copies of the documents to me in the enclosed self addressed stamped envelope.

Very truly yours,

HOURIGAN, KLUGER, SPOHRER & QUINN, P.C.

*Gerald J. Shekletski*  
Gerald J. Shekletski, Esquire

GJS/pm  
Enclosures  
cc: Pat O'Brien

ICC OFFICE OF THE SECRETARY  
AUG 9 10 31 AM '85  
MOTOR OPERATING UNIT

0116 988

**Interstate Commerce Commission**  
Washington, D.C. 20423

8/9/85

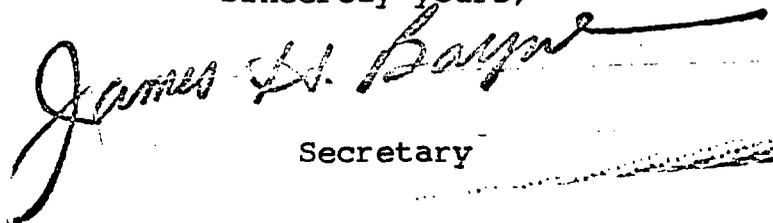
**OFFICE OF THE SECRETARY**

Gerald J. Shekletski, Esq.  
Hourigan, Kluger, Spohrer & Quinn, P.C.  
700 United Penn Bank Building  
Wilkes-Barre, Penna. 18701

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 8/9/85 at 10:30am and assigned re-  
recording number (s). 14768

Sincerely yours,

  
Secretary

Enclosure(s)

# SECURITY AGREEMENT

RECORDATION NO. 14768 Filed 1425

AUG 9 1985 10 50 AM

INTERSTATE COMMERCE COMMISSION

FOR

## EQUIPMENT AND FARM PRODUCTS

POCONO NORTHEAST RAILWAY, INC.

NAME(S) OF DEBTOR(S)

81 West Union Street, Wilkes-Barre, Luzerne County, Pennsylvania 18701

ADDRESS(ES)

(the "Debtor"), hereby grants to: UNITED PENN BANK, a Pennsylvania banking corporation with its principal office at 8-18 West Market Street, Wilkes-Barre, Pennsylvania 18711 (the "Lender"), a security interest, in accordance with the Pennsylvania Uniform Commercial Code, in the following described property, together with all substitutions, parts, accessions, attachments, additions, and other goods, and all replacements hereto, and all cash proceeds and non-cash proceeds of all the foregoing (herein collectively called the ("Collateral")): \*See below.

WITNESSETH, the security interest in the collateral granted to the Lender by the Debtor shall secure the payment of any and all indebtedness, obligations and liabilities whatsoever of the Debtor to Lender, now existing or hereafter incurred, direct or contingent, matured or unmatured, several, joint, or joint and several, and any renewals, extensions or substitutions of said liabilities. Without limiting the foregoing, the security interest in the collateral is granted to better secure the following obligations: \*See below.

(a) Debtor's obligations to lender under a loan(s) now existing or hereafter to be made by Lender to Debtor, or its nominee, upon execution and delivery of this Agreement and all other required instruments, said loan(s) being evidenced by the note(s) of Debtor dated August 2, 1985 in the face amount(s) of Eighty Seven Thousand Seven Hundred and Fifty-Two and 00/100 (\$87,752.00) said note(s) being payable with interest as provided therein (the "Note");

(b) Any and all sums, including attorney's fees, costs, expenses and charges which secured party may pay or incur pursuant to any provision of this Security Agreement or in defending, protecting, preserving or enforcing its security interest or the collateral or in enforcing payment of the debt secured or otherwise in connection with the provisions of this Agreement;

(c) All expenditures of Lender for taxes, levies, insurance maintenance, repairs, preparation for sale and sale of the Collateral;

(d) Interest on all the foregoing at the rate provided in the Note prior to default and at a rate of N/A % after default. (Collectively referred to as the "Obligations").

\*See attached Schedule "A".

1. (Debtor's tradenames, prior names, predecessors in merger, businesses acquired and/or other locations.)

2. (Debtor's other security interest, encumbrances and liens.)

3. (Address of other place of business of Debtor and of the location of Equipment other than at Debtor's address and owner description of all leased premises.)

SPECIAL PROVISIONS APPLICABLE TO DEBTOR (IF ANY)

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed this Agreement on this 2nd day of August 19 85.

ATTEST:

Gale A. Armstrong  
Gale A. Armstrong, Secretary

DEBTOR: (If Corporation)

POCONO NORTHEAST RAILWAY, INC.

Business Name

BY: G. David Crane (SEAL)  
G. David Crane, President

BY: \_\_\_\_\_ (SEAL)

WITNESS:

DEBTOR:

(Fictitious Name, Partnership, Individual, etc.)

Business Name

BY: \_\_\_\_\_ (SEAL)

BY: \_\_\_\_\_ (SEAL)

ATTEST:

Patricia O'Brien  
Patricia O'Brien, Assistant Secretary

LENDER:

UNITED PENN BANK

BY: C. F. Hickox  
Charles F. Hickox Title Senior Vice President