

# MISSOURI PACIFIC RAILROAD CO.

210 N. 13TH STREET

ST. LOUIS, MISSOURI 63103

TEL. AREA CODE 314 622-0123

LAW DEPARTMENT

MARK M. HENNELLY

SENIOR VICE PRESIDENT AND GENERAL COUNSEL  
622-2025

DONALD E. MOLLOY 622-2016  
WILLIAM A. BRASHER 622-2021  
GENERAL ATTORNEYS

JOSEPH J. GAZZOLI 622-2012  
WILLIAM G. BARR 622-2866  
ASSISTANT GENERAL ATTORNEYS

ARTHUR R. ZAEGEL 622-2015  
MICHAEL THOMPSON 622-2011  
NINA K. WUESTLING 622-2017  
ATTORNEYS

JAMES A. HESSE 622-2024  
ASSISTANT GENERAL COUNSEL

PATRICK C. MULLEN 622-2022  
GENERAL SOLICITOR

ROBERT H. STAHLHEBER 622-2014  
CHIEF COMMERCE COUNSEL

RECORDATION NO. 6807-4  
FILED 148

April 2, 1981

APR 6 1981 - 12 25 PM

No. 1-095A073

INTERSTATE COMMERCE COMMISSION

Date APR 6 - 1981

Re: Conditional Sale Agreement between Missouri-Illinois  
Railroad Company and Bethlehem Steel Corporation,  
Assumed by Missouri Pacific Railroad Company on  
November 1, 1978, and Assignment to First National  
Bank in St. Louis, both dated as of November 1, 1972,  
Filed and Recorded with the Interstate Commerce Com-  
mission on November 21, 1972 at 2:00 p.m. and Assigned  
Recordation No. 6807--Covering 400 100-ton 200 Cu. Ft.  
Open Top Hopper Cars (Nos. 575000-575399, both inclu-  
sive), AAR Class or Mechanical Designation HM.

Fee \$ 10.00  
100 Washington, D. C.

Mrs. Agatha L. Mergenovich  
Secretary  
Interstate Commerce Commission  
12th Street & Constitution Ave., N.W.  
Washington, D. C. 20423

Dear Mrs. Mergenovich:

Enclosed for filing pursuant to Section 11303 of the Inter-  
state Commerce Act and 49 C.F.R. §116.1 et seq., are four executed  
counterparts of a Full Release and Satisfaction, dated as of  
March 23, 1981, executed by First National Bank in St. Louis,  
Assignee under the above Conditional Sale Agreement, dated and  
recorded as specified in the caption hereof. The enclosed in-  
strument releases from the above Conditional Sale Agreement all  
railroad equipment which may be subject thereto.

Missouri Pacific Railroad Company's voucher to cover the \$10  
recording and filing fee is enclosed herewith. Upon filing and  
recording of the enclosed Release and Satisfaction, would you  
please return to the undersigned two counterparts showing thereon  
the Commission's recordation stamp. A self-addressed, stamped  
envelope is enclosed for your use.

Very truly yours,



William G. Barr  
Assistant General Attorney

WGB:ko  
Enclosures

RECEIVED  
APR 6 12 19 PM '81  
I.C.C.  
FEE OPERATION

FULL RELEASE AND SATISFACTION  
OF  
CONDITIONAL SALE AGREEMENT

RECORDATION NO. 6807A FILED 1425

APR 6 1981 - 12 25 PM

INTERSTATE COMMERCE COMMISSION

KNOW ALL MEN BY THESE PRESENTS: That

WHEREAS, by a certain Conditional Sale Agreement, dated as of November 1, 1972, between Bethlehem Steel Corporation [hereinafter called the Manufacturer] and Missouri-Illinois Railroad Company [hereinafter called M-I], under the terms of which the Manufacturer sold and delivered to M-I, and M-I bought from the Manufacturer, as set forth in said Conditional Sale Agreement [hereinafter called the Agreement] 400 100-ton 2200 cu. ft. open top hopper cars [the Equipment] more particularly described therein; and

WHEREAS, by an Agreement and Assignment dated as of November 1, 1972 [hereinafter called the Assignment], the Manufacturer assigned and transferred to First National Bank in St. Louis certain rights, powers and privileges of the Manufacturer, including the retained title of the Manufacturer to the Equipment described in the Agreement; and

WHEREAS, the Agreement and Assignment were filed and recorded with the Interstate Commerce Commission on November 21, 1972 at 2:00 p.m., and assigned Recordation No. 6807, pursuant to Section 20c of the Interstate Commerce Act; and

WHEREAS, on November 1, 1978, pursuant to a Plan and Joint Agreement of Merger and Consolidation dated as of September 1, 1977, M-I was merged and consolidated along with certain other

railroad corporations into Missouri Pacific Railroad Company and Missouri Pacific Railroad Company, as the surviving corporation, was vested with all of M-I's right, title and interest in and to the Equipment, and assumed all of M-I's rights, obligations and liabilities under the Agreement; and

WHEREAS, all sums of money due and payable under the terms of said Agreement have been paid in full and satisfied, and all obligations imposed upon Missouri Pacific Railroad Company in said Agreement have been duly complied with and performed;

NOW, THEREFORE, in consideration of the premises and of other good and valuable considerations to it paid, receipt of which is hereby acknowledged, First National Bank in St. Louis hereby acknowledges full payment and satisfaction of all moneys payable under the terms of said Agreement and the performance by Missouri Pacific Railroad Company of all the covenants and agreements imposed upon it thereunder; hereby consents that the Agreement be released and discharged of record, and constitutes and appoints each of the officers having charge and custody of any records where the Agreement may be filed or recorded, as its agent and attorney with full power and authority to satisfy and discharge of record in the Agreement, and to endorse upon the margin of the record the satisfaction, release and discharge of the lien of the Agreement; and hereby FOREVER RELEASES AND DISCHARGES Missouri Pacific Railroad Company, its successors and assigns, of and from all obligations and liabilities under said

Agreement, and hereby quitclaims, assigns, transfers and sets over unto Missouri Pacific Railroad Company, without any representation as to the present existence or condition of the Equipment or whether it is in the possession of Missouri Pacific Railroad Company, without warranty or representation of any kind, express or implied, and without recourse to First National Bank in St. Louis in any event, all of its right, title and interest in the Equipment now or at any time owned or acquired by it pursuant to the Agreement, hereby confirming that said railroad Equipment is free from any right, title, security, interest, lien or encumbrance in favor of First National Bank in St. Louis by virtue of said Agreement.

IN WITNESS WHEREOF, First National Bank in St. Louis, pursuant to due corporate authority, has caused these presents to be executed in its behalf by a duly authorized officer and duly attested as of the 23rd day of March, 1981.

FIRST NATIONAL BANK IN ST. LOUIS

By James A. Watson  
Asst. Vice President

ATTEST:

B. Smith  
Assistant Secretary  
Assistant Cashier

STATE OF MISSOURI     )  
                                  ) SS.  
CITY OF ST. LOUIS     )

On this 1<sup>st</sup> day of April, 1981, before me, personally appeared James A. Watson, to me personally known, who being by me duly sworn, says that he is <sup>Asst.</sup> Vice President of First National Bank in St. Louis, 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.

Janet K. McGee  
Notary Public

My Commission Expires:  
MY COMMISSION EXPIRES  
APRIL 22, 1984

JANET K. MCGEE, NOTARY PUBLIC

and the Lessee (as that term is hereinafter defined). Debtor has agreed to lease the Collateral to Richardson Dilworth and Andrew L. Lewis, Jr., Trustees of the property of Reading Company (hereinafter "the Lessee") under an Agreement to Lease Railroad Equipment dated as of November 1, 1972 (hereinafter "the Lease"), substantially in the form which is attached hereto, made part hereof marked Exhibit "D". 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 the "Liabilities").

Debtor represents that the Collateral shall be paid for with the proceeds of the Notes and Debtor's funds, is subject to no liens or other interests (including tax liens), excepting the Lease, and is to be used in business and is not held as inventory of Debtor.

It is an express condition of this Agreement that if and when Debtor shall pay the Secured Party the sums due under the Notes as provided therein, then the security interests created and assignments effected 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 and 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; provided, that Debtor may permit Lessee to assign or transfer its interest in the Collateral to a third party, provided that the Secured Party agrees in writing to such assignment or transfer, and further provided that such assignment shall in no manner affect Lessee's obligation under 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 proceeding 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 foreclosure 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 therefor 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 nine and one-half per cent (9 1/2%) per annum.

(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 Lease.

(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.

(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 pur-

suant 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. 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 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 or 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.

Debtor hereby authorizes and empowers any attorney or

attorneys or the prothonotary or clerk of any court in the Commonwealth of Pennsylvania, to appear for Debtor, in any such court in an appropriate action there or elsewhere brought or to be brought against Debtor at the suit of Secured Party, as of term or time there to be held, and therein to confess or enter judgment against, Debtor for all sums due by Debtor to Secured Party hereunder, with costs of suit; and for so doing, this Security Agreement or a copy hereof verified by Affidavit shall be a sufficient warrant.

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 this 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 thereof 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 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 Pennsyl-

vania, 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.

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 Loan and Security Agreement as of the date and year first above written.

RADNOR ASSOCIATES, LTD.

ATTEST:

*Louis G. Barnes*  
Title  
(Corporate Seal) *Not Secy*

By *Louis G. Barnes* President  
Title

THE PHILADELPHIA NATIONAL BANK

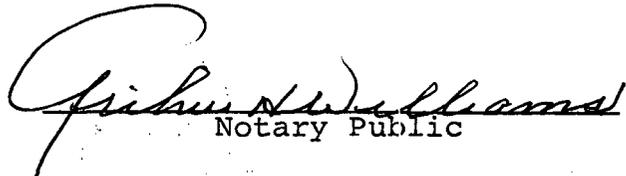
ATTEST:

*AW Armstrong*  
Title  
(Corporate Seal)

By *Henry G. Hamel* Title  
Henry G. Hamel  
Assistant Vice President

COMMONWEALTH OF PENNSYLVANIA :  
COUNTY OF PHILADELPHIA : SS

On this 6<sup>th</sup> day of November, 1972,  
before me personally appeared LOUIS A ZEHNER JR,  
to me personally known, who, being by me duly sworn, says  
that he is President of RADNOR ASSOCIATES, LTD., 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 execu-  
tion of the foregoing instrument was the free act and deed  
of said corporation.

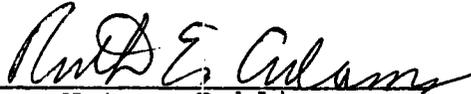
  
Notary Public

Notary Public, Philadelphia, Philadelphia Co.  
My Commission Expires January 17, 1974

(Notarial)

COMMONWEALTH OF PENNSYLVANIA :  
COUNTY OF PHILADELPHIA : <sup>SS</sup>

On this 6<sup>th</sup> day of November, 1972,  
before me personally appeared HENRY G. HAMEL, to me personally  
known, who, being by me duly sworn, says that he is Assistant  
Vice President of THE PHILADELPHIA NATIONAL BANK, 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.

  
\_\_\_\_\_  
Notary Public

(Notarial Seal)

RUTH E. ADAMS  
Notary Public Philadelphia  
Philadelphia County  
My Commission Expires January 10, 1976

\$ 168,000.00 NON-RECOURSE COLLATERAL NOTE

November 6, 19 72.

The Undersigned (said term as used herein meaning the person, including any form of legal entity, or, if more than one, all of the persons by whom, or on whose behalf, this note is signed) promises to pay to the order of THE PHILADELPHIA NATIONAL BANK (hereinafter called the "Bank") at any of its banking offices ONE HUNDRED SIXTY-EIGHT THOUSAND and no/100 ----- DOLLARS, to be paid as follows, viz: with interest calculated at the rate of eight and one-half percent (8 1/2%) per annum, together with the total principal amount thereof, on or before January 15, 1973.

If this note is repayable in installments, prepayments may be made, in whole or in part without penalty, only as of an installment payment date, and each such prepayment shall equal the amount of principal included in one or more of the next consecutive installments becoming due. Any such prepayment shall be applied on account of the unpaid principal, and the number of installments payable hereunder shall be correspondingly reduced but no such prepayment shall reduce the amounts of the scheduled installments nor relieve the Undersigned from paying a scheduled installment on each installment payment date, until the unpaid principal with interest has been paid in full.

COLLATERAL PLEDGE — The term "Collateral" as used herein means all property of any nature whatsoever of the Undersigned, or any of them, now or hereafter in the possession of or assigned or hypothecated to the Bank for any purpose, including without limitation any property listed on the reverse side hereof and any balance or share, belonging to the Undersigned or any of them, of any deposit, agency or other accounts with the Bank and any other amounts which may be owing from time to time by the Bank to the Undersigned or any of them. The Undersigned agrees that the Bank shall have a lien upon and security interest in the Collateral, and all rights in connection with the Collateral, to secure the payment of this note and any renewals, extensions and modifications thereof and all other existing and future liabilities, whether absolute or contingent, of the Undersigned, or any of them, to the Bank of any nature whatsoever and out of whatever transactions arising, said note and any renewals, extensions and modifications thereof and said other liabilities being hereinafter collectively referred to as the "Liabilities". If any other Liabilities are in existence when this note is paid, then, notwithstanding the surrender of this note, the Bank may retain the Collateral and shall have with respect thereto all rights and remedies available to it, including those herein granted or referred to, and a true copy of this note shall be sufficient proof of the rights granted herein. Said lien and security interest shall be independent of any right of set-off which the Bank may have. The Undersigned assumes full responsibility for preservation of the Collateral, including taking any steps necessary to preserve any rights of the Undersigned, or any of them, or the Bank in it against prior parties. If any property included in the Collateral or the value thereof shall at any time become unsatisfactory to the Bank, the Undersigned shall within two hours after demand and as the Bank may direct, deliver, assign or hypothecate to the Bank as part of the Collateral additional property which is satisfactory to the Bank.

RIGHTS OF BANK — In addition to all other rights granted herein or otherwise possessed by it, the Bank shall have the following rights, each of which may be exercised at any time without prior notice to or consent of any of the Undersigned: (i) to pledge or transfer this note and any renewals, extensions and modifications thereof, assigning therewith the Bank's rights in the Collateral or any portion thereof, and any such pledgee or transferee shall have all the rights of the Bank hereunder with respect to this note and any renewals, extensions and modifications thereof and any of the Collateral so assigned therewith, and the Bank shall be thereafter relieved from all liability with respect to any of the Collateral so assigned; (ii) to transfer the whole or any part of the Collateral into the name of itself or its nominee; (iii) to vote the Collateral; (iv) to notify the persons obligated on any of the Collateral to make payment to the Bank of any amounts due or to become due thereon; (v) to take control of any proceeds of the Collateral; and (vi) to release or exchange any of the Collateral at any time before or after maturity hereof.

PAYMENT OF COSTS — In addition to the principal and interest payments specified above, the Undersigned shall pay to Bank or any other holder hereof, upon demand, all costs and expenses (including reasonable attorneys' fees and legal expenses) which may be incurred by Bank or such holder in the custody, preservation, use, operation, preparation for sale or sale of the Collateral or the enforcement upon default of this note.

CONFESSION OF JUDGMENT — The Undersigned hereby irrevocably authorizes and empowers the prothonotary or clerk or any attorney of any court of record to appear for and confess judgment therein against the Undersigned, or any of them, for the amount which from the face hereof may appear to be due hereon, (or, if such an

attorney so elects, for the amount which may be due hereon as evidenced by an affidavit signed by an officer of the Bank setting forth the amount then due) including accrued interest, plus 15% of such principal and interest, but not less than \$500, as an attorney's commission, with costs of suit, release of errors, and without right of appeal. If a copy hereof, verified by an affidavit, shall have been filed in said proceeding, it shall not be necessary to file the original as a warrant of attorney. The Undersigned waives the right to any stay of execution and the benefit of all exemption laws now or hereafter in effect. No single exercise of the foregoing warrant and power to confess judgment shall be deemed to exhaust the power, whether or not any such exercise shall be held by any court to be invalid, voidable, or void, but the power shall continue undiminished and may be exercised from time to time as often as the holder hereof shall elect, until all sums payable or that may become payable hereunder by the Undersigned have been paid in full.

DEFAULTS — The Undersigned shall be in default hereunder upon the occurrence of any of the following events: (a) the nonpayment when due of any amount payable on any of the Liabilities, or the failure of any Obligor to observe or perform any agreement of any nature whatsoever with the Bank, (the term "Obligor" as used herein being meant to include the Undersigned, and all persons secondarily liable on this note or any renewals, extension, or modification thereof, such as endorsers or guarantors); (b) if any Obligor becomes insolvent or makes an assignment for the benefit of creditors, or if any petition is filed by or against any Obligor under any provision of any law or statute alleging that such Obligor is insolvent or unable to pay debts as they mature; (c) the entry of any judgment against any Obligor or the issuing of any attachment or garnishment against any property of any Obligor or the occurrence of any change in the financial condition of any Obligor which in the sole judgment of the Bank is materially adverse; (d) the dissolution, merger, consolidation or reorganization of any Obligor which is a corporation or partnership; (e) the death of any Obligor who is a natural person; (f) any information heretofore or hereafter furnished to the Bank by any Obligor in connection with the loan evidenced hereby or the Guaranty on the reverse side hereof should be materially false; and (g) the failure of any Obligor to furnish such financial and other information as the Bank may reasonably request.

ACCELERATION AND ENFORCEMENT RIGHTS — Whenever the Undersigned shall be in default as aforesaid, (1) unless the Bank elects otherwise, the entire unpaid amount of such of the Liabilities as are not then due and payable shall become immediately due and payable without notice to or demand on any Obligor; and (2) the Bank may at its option exercise from time to time any or all rights and remedies available to it under the Uniform Commercial Code or otherwise available to it, including the right to dispose of the Collateral at public or private sale(s) or other proceedings, and the Undersigned agrees that the Bank or its nominee may become the purchaser at any such sale(s). The Undersigned waives all right to stay of execution and exemption of property in any action to enforce any of the Liabilities.

APPLICATION OF COLLATERAL — The proceeds of any Collateral received by the Bank at any time before or after default, whether from sale of Collateral or otherwise, may be applied to or on account of the payment of such of the Liabilities and in such order as the Bank may elect. Each of the Undersigned to the extent that he has any right, title or interest in any of the Collateral, waives and releases any right to require the Bank to collect any of the Liabilities from any other of the Collateral under any theory of marshalling of assets; or otherwise, and specifically authorizes the Bank to apply any of the Collateral in which he has a right, title or interest against any of the Liabilities in any manner that it may determine.

MISCELLANEOUS — Any failure of the Bank to exercise any right hereunder shall not be construed as a waiver of the right to exercise the same or any other right at any other time. The additional provisions, if any, on the reverse side hereof are hereby made a part hereof. If the Undersigned consists of more than one person, such persons shall be jointly and severally liable hereunder. The Undersigned intends this to be a sealed instrument and to be legally bound hereby. All issues arising hereunder shall be governed by the law of Pennsylvania.

(INDIVIDUALS SIGN BELOW)

(CORPORATIONS OR PARTNERSHIPS SIGN BELOW)

Name (SEAL)

Radnor Associates, Ltd. (SEAL)  
Name of Corporation or Partnership

Name (SEAL)

By: (SEAL)

EXHIBIT "A" TO THAT CERTAIN SECURITY AGREEMENT AND ASSIGNMENT MADE AS OF NOVEMBER 1, 1972 BY AND BETWEEN RADNOR ASSOCIATES, LTD. AND THE

Name (SEAL)  
PHILADELPHIA NATIONAL BANK

By: (SEAL)  
Name and Title

EXHIBIT B

EXHIBIT "B" TO THAT CERTAIN SECURITY AGREEMENT AND ASSIGNMENT  
MADE AS OF NOVEMBER 1, 1972 BY AND BETWEEN RADNOR ASSOCIATES,  
LTD. AND THE PHILADELPHIA NATIONAL BANK

RADNOR ASSOCIATES, LTD.

NON-RECOURSE SECURED NOTE

\$264,000 \_\_\_\_\_, 197\_\_

FOR VALUE RECEIVED, RADNOR ASSOCIATES, LTD. (herein-  
after "Radnor") promises to pay to the order of THE PHILADELPHIA  
NATIONAL BANK and its assigns (hereinafter the "Holder") on or  
before \_\_\_\_\_, 1980, as herein provided, the  
principal sum of TWO HUNDRED SIXTY-FOUR THOUSAND DOLLARS (\$264,000)  
together with interest from the date hereof until maturity on the  
principal balance from time to time remaining unpaid hereon at  
the rate of eight and one-half percent (8 1/2%) per annum (com-  
puted on the basis of a 360-day year of 12 consecutive 30-day  
months) in 31 consecutive equal quarterly installments, in arrears,  
each in the amount of \$ \_\_\_\_\_, commencing with \_\_\_\_\_  
\_\_\_\_\_, 1973 and continuing to and including \_\_\_\_\_,  
1980, together with interest on any overdue principal and interest  
at the rate of nine and one-half percent (9 1/2%) per annum. 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.

In the event an item of Equipment referred to in that

certain Lease Agreement which is Exhibit "D" to the Security Agreement (hereinafter "the Lease") suffers a casualty and is not replaced by the Lessee identified therein, this Note may be prepaid in the amount of the Stipulated Loss Value thereof (as that sum may be determined by reference to Exhibit "B" to the Lease) without penalty.

All payments of principal and interest hereunder shall be made at the principal office of The Philadelphia National Bank, Northeast corner 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 one of the Notes referred to in that certain Security Agreement and Assignment dated as of November 1, 1972 (hereinafter the "Security Agreement") entered into between Radnor and The Philadelphia National Bank.

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 November 1, 1972 (the "Lease") among Radnor and Richardson Dilworth and Andrew L. Lewis, Jr., 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 successor 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 or for the payment of any liability resulting from the breach of any representation, agreement or warranty of any nature whatsoever (except in the case of a fraudulent statement or representation) 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 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 (which judgment, however, shall not be executed on with respect to any assets of Radnor except the Collateral) on 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.

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.

RADNOR ASSOCIATES, LTD.

By \_\_\_\_\_ Title

Attest:

\_\_\_\_\_ Title

(Corporate Seal)

Exhibit  
Schedule C

SCHEDULE OF EQUIPMENT

Twelve (12) used 70-ton 50-foot insulated box cars which are to have installed therein mechanical refrigeration.

Reading Company road numbers assigned to the cars are:

<u>PRESENT NUMBERS</u>	<u>NUMBERS AFTER INSTALLA- TION OF REFRIGERATION.</u>
17210	17088
17211	17089
17213	17090
17216	17091
17217	17092
17218	17093
17219	17094
17235	17095
17236	17096
17239	17097
17240	17098
17245	17099

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AGREEMENT TO LEASE RAILROAD EQUIPMENT

DATED AS OF NOVEMBER 1, 1972

Between

RADNOR ASSOCIATES, LTD.  
Lessor,  
400 East Lancaster Avenue  
Wayne, Pennsylvania

and

RICHARDSON DILWORTH and ANDREW L. LEWIS, JR.,  
Trustees of the property of Reading Company, Debtor  
Lessee,  
Reading Terminal  
Philadelphia, Pennsylvania 19107

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Covering 12 Used 70-ton Box Cars With Mechanical Refrigeration  
Equipment

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Filed and recorded with the Interstate Commerce Commission  
pursuant to Section 20c of the Interstate Commerce Act on  
, 1972, at Recordation No. \_\_\_\_\_ .