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SCRANTON, PENNSYLVANIA 18501
P. O. BOX 956
200 BANK TOWERS
SPRUCE STREET AND WYOMING AVENUE
AREA CODE 717 346-7922

EDWARD N. WILLARD 1887-1882
WILLARD & WARREN 1882-1892
WILLARD, WARREN & KNAPP 1892-1912
WARREN, KNAPP & O'MALLEY 1912-1914
WARREN, KNAPP O'MALLEY & HILL 1914-1917
KNAPP, O'MALLEY, HILL & HARRIS 1917-1932
O'MALLEY, HILL, HARRIS & HARRIS 1932-1945
O'MALLEY, HARRIS, HARRIS & WARREN 1945-1952
HARRIS, WARREN, HILL & HENKELMAN 1952-1955
WARREN, HILL, HENKELMAN & MCMENAMIN 1955-1974
HENKELMAN, MCMENAMIN, KREDER & O'CONNELL 1974-1979

June 9, 1986

6 162A054

No.

Date ... JUN. 11 1986

Fee \$ 18.00

ICC Washington, D. C.

Secretary
Interstate Commerce Commission
ICC Building
Room 2115
Washington, D.C. 20423

14976
RECORDATION NO. _____ Filed 1986

JUN 11 1986 - 3 25 PM

INTERSTATE COMMERCE COMMISSION

Re: Security Agreement (Equipment)

NEB of Pennsylvania, secured party,
and Steamtown Foundation for the
Preservation of Steam and Railroad
Americanna, Inc., debtor

Gentlemen:

Enclosed are two fully executed and acknowledged counterparts of a Security Agreement dated March 12, 1986 between Northeastern Bank of Pennsylvania, as secured party, and Steamtown Foundation for the Preservation of Steam and Railroad Americanna, Inc., as debtor, covering the rolling stock and other assets therein identified. Please record the foregoing "primary document" pursuant to Section 11303 of Title 49 of the U.S. Code. Our check in the amount of \$10.00, payable to the "Interstate Commerce Commission" is enclosed. Please return one counterpart to our office in the enclosed, postage paid envelope, with evidence of filing duly endorsed thereon.

A short summary of the document to appear in the index is as follows:

- (a) Type: Security Agreement;
- (b) Secured Party: Northeastern Bank of Pennsylvania, a Pennsylvania banking corporation with offices at Penn Avenue and Spruce Street, Scranton, PA 18503;
- (c) Debtor: Steamtown Foundation for the Preservation of Steam and Railroad Americanna, Inc., a non profit educational foundation with an office at 700 Lackawanna Avenue, Scranton, Pennsylvania;

JUN 11 3 19 PM '86
MOTOR OPERATING UNIT
ICC OFFICE OF THE SECRETARY

Interstate Commerce Commission

Page 2

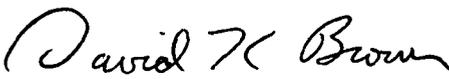
June 9, 1986

(d) Date: March 12, 1986;

(e) Subject: Rolling stock, machinery and equipment, memorabilia, furniture, fixtures and tools therein described.

Very truly yours,

HENKELMAN, KREDER, O'CONNELL & BROOKS

By 
David K. Brown

DKB/mmc

Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

6/12/86

OFFICE OF THE SECRETARY

David K. Brown
Henkelman, Kreder, O'Connell & Brook
P.O. Box 956
Ccranton, PA. 18501

Dear
Sir:

The enclosed documents(s) was recorded pursuant to the provision of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 6/11/86 at 3:25pm , and assigned recordation number(s). 14976

Sincerely yours,

Noreta R. McGee
Acting Secretary

REGISTRATION NO. 04976

EQUIPMENT SECURITY AGREEMENT

JUN 11 1986 -3 25 PM

INTERSTATE COMMERCE COMMISSION

BETWEEN STEAMTOWN FOUNDATION FOR THE PRESERVATION OF STEAM AND RAILROAD AMERICANA, a non-profit educational foundation with its principal offices at 700 Lackawanna Avenue, Scranton, Pennsylvania 18503 ("Steamtown"), and NORTHEASTERN BANK OF PENNSYLVANIA, a Pennsylvania banking corporation with offices at Penn Avenue and Spruce Street, Scranton, Pennsylvania, 18503 (the "Bank"), entered this 12th day of March, 1986.

WITNESSETH:

On May 13, 1983, METRO-ACTION, INC. ("Metro-Action") and Steamtown entered into an agreement with the City of Scranton, Pennsylvania (the "City") which provided for the relocation of the entire Steamtown exhibition of rolling stock, machinery, equipment and memorabilia and other assets from Bellows Falls, Vermont, to Scranton, Pennsylvania (the "Relocation Agreement"). The relocation has now been completed and the City has certified to such completion.

The Bank has agreed to advance an amount not to exceed \$450,000.00 (the "Line of Credit") to Steamtown, with the net proceeds of the Line of Credit to be used for general operating expenses of Steamtown. Pursuant to the terms of a Loan Agreement of even date herewith between Steamtown and the Bank (the "Loan Agreement"), the Line of Credit shall be advanced to Steamtown in anticipation of the receipt of general operating revenues and shall be secured, inter alia, by first and perfected security interest in all of Steamtown's rolling stock, machinery and equipment, memorabilia, furniture and fixtures, tools, accounts receivable, contract rights and general intangibles.

NOW THEREFORE, in order to confirm their understandings and intending to be legally bound hereby, the parties agree as follows:

1. Assignment and Security Interest. As security for the repayment of the Line of Credit and interest thereon, Steamtown grants to the Bank a security interest in and to all of its rolling stock, machinery and equipment, memorabilia, furniture and fixtures, tools, accounts receivable, contract rights, general intangibles, all replacements and substitutions, the proceeds thereof and the records and evidence of title therefore (the "Equipment") to be perfected in accordance with applicable law, and to continue so long as the Line of Credit is outstanding. Steamtown's rolling stock is set forth on Exhibit A to this Agreement.

2. Covenants. Steamtown hereby represents, warrants and covenants as follows:

(a) The Equipment will be kept in Lackawanna County, Pennsylvania and Steamtown will not remove the Equipment therefrom without the prior written consent of the Bank;

(b) Steamtown will not use the Equipment in violation of any statute or ordinance, or the provisions of any lease, mortgage or other agreement binding upon Steamtown with respect to any portion of the Equipment, and will keep the Equipment at all times in good condition and working order ordinary wear and tear excepted, and make all necessary repairs to and replacements of the Equipment;

(c) Steamtown will not sell, assign, transfer or otherwise dispose of any of the Equipment, or any interest therein, either voluntarily or by operation of law, without the prior written consent of the Bank;

(d) Steamtown shall at all reasonable times and from time to time allow the Bank and its authorized representatives to examine or inspect the Equipment;

(e) Steamtown shall maintain insurance with respect to all of the Equipment against risks of fire (including so-called extended coverage), theft, and such other risks as the Bank may reasonably require, in such form, in such amount, for such period and written by such companies as shall be satisfactory to the Bank, such insurance to be payable first to the Bank as its interest may appear and then to Steamtown. All such policies of insurance shall name the Bank as a loss payee under a Standard Lender's Loss Payable Clause, shall provide for a minimum of ten (10) days prior written cancellation notice to the Bank, and, at the Bank's request, shall be delivered to and held by the Bank. If Steamtown fails to provide insurance as herein provided, the Bank may, at its option, obtain such insurance, and Steamtown shall pay to the Bank, on demand, the cost thereof, all such payments by the Bank to be deemed hereby secured. Proceeds of insurance may be applied by the Bank to the replacement of the Equipment, so long as Steamtown is not in default, or to the reduction of the Obligations, at the Bank's option.

(f) Steamtown will join with the Bank in executing financing statements pursuant to applicable provisions of the Uniform Commercial Code and any forms necessary for perfection of this lien with any other jurisdiction in form satisfactory to the Bank, and pay the costs of all required filings.

5. Default and Remedies. Upon the occurrence of a default under the Loan Agreement, the Bank shall be entitled to exercise, with respect to the Equipment, all rights of a secured creditor under the provisions of the

Pennsylvania Uniform Commercial Code.

6. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.

7. Interpretation. This Agreement shall be deemed a contract under the laws of the Commonwealth of Pennsylvania, and construed in accordance with said laws.

8. Notices. Notices required to be given hereunder shall be in writing and given as provided in the Loan Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year first above written, intending to be legally bound.

ATTEST:

Edwin E. Raetz
Asst. Clerk
Title:

(Corporate Seal)

STEAMTOWN FOUNDATION FOR THE PRESERVATION OF STEAM AND RAILROAD AMERICANA

By [Signature]
Title: General Manager

ATTEST:

Terence Krupar
Title: Secretary

(Corporate Seal)

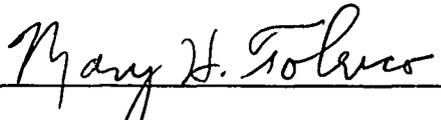
NORTHEASTERN BANK OF PENNSYLVANIA

By [Signature] ATP
Title:

COMMONWEALTH OF PENNSYLVANIA :
COUNTY OF LACKAWANNA :

On this, the 12th day of March, 1986, before me, the undersigned officer, personally appeared JAMES GILLESPIE who acknowledged himself to be the General Manager of Steamtown Foundation for the Preservation of Steam and Railroad Americana, a non-profit educational foundation, and that he as such officer being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the foundation as himself as such officer.

In Witness Whereof, I hereunto set my hand and official seal.



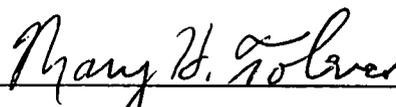
MARY H. TOLERO, ROTARY PUBLIC
MY COMMISSION EXPIRES: APRIL 2, 1988

COMMONWEALTH OF PENNSYLVANIA :

COUNTY OF LACKAWANNA :

On this, the 12th day of March, 1986, before me, the undersigned officer, personally appeared RONALD J. WISNIEWSKI who acknowledged himself to be an Assistant Vice President of Northeastern Bank of Pennsylvania, banking corporation, and that he as such officer being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation as himself as such officer.

In Witness Whereof, I hereunto set my hand and official seal.



MARY H. TOLSON, NOTARY PUBLIC
MY COMMISSION EXPIRES: APRIL 2, 1988

R.H.POTTER ASSOCIATES, INC. RFD #2 FREEPORT MAINE 04032
 STEAMTOWN FOUNDATION SCRANTON, PA.
 EQUIPMENT APPRAISAL 01/03/86

ROAD	NUMBER	TYPE	VALUE TO NOT OPERATE	VALUE TO DISPLAY	VALUE TO SCRAP	REMARKS
LOCOMOTIVES						
NHTRPRK	43	0-4-0	30000	10000	2700	STAYBOLTS
B&M	3713	4-6-2	450000	300000	13500	AXLES, FIREBOX, SYPHONS, JACKET, TUBES
BELGIAN	336	0-4-0T	20000	12000	600	COMPLETE OLDEST IN COL, '77, FAIR
BRKS-SONLN	1	2-6-2	100000	20000	3000	WORE OUT NDS FR BX
BAUMAN	129	0-4-0T	40000	5000	1200	FAIR AT CARBONDALE PA ON DISPLAY
BULLARD	2	0-4-0T	30000	5000	900	CRN BR, SH UNITS
CN	47	4-6-4T	250000	35000	7500	STRIPPED SOME GOOD-FAIR
CN	1395	4-6-0	200000	30000	6000	COMPLETE
CN	3377	2-8-2	300000	45000	9000	GOOD-COMPLETE, LOW MILES
CN	5288	4-6-2	280000	30000	8400	STRIPPED
CP	1098	4-6-0	210000	35000	6300	MECH OK CAB STRPT
CP	1246	4-6-2	284100	100000	6500	IN SERVICE-FRA CAB CARD
CP	1278	4-6-2	284100	60000	6500	TUBES, FIREBOX, SH UNITS
CP	1293	4-6-2	284100	30000	6500	TUBES, WHEELS, SH UNITS
CP	2317	4-6-2	339000	110000	10100	IN SERVICE-FRA CAB CARD
CP	2216	4-6-4	350000	40000	10500	COMPLETE
CP	2929	4-4-4	300500	30000	9000	STRIPPED CAB, GRATES
D&MM	44	4-6-0	140000	20000	4200	WOREOUT, NDS JKT-EX NKP '05 BKS
EG&F	4	0-6-0	130000	10000	5400	HULK
FRLS CKR	6816	0-6-0	90000	10000	2700	OPRNL

R.H.POTTER ASSOCIATES, INC. RFD #2 FREEPORT MAINE 04002
 STEAMTOWN FOUNDATION SCRANTON, PA.
 EQUIPMENT APPRAISAL 01/03/86

ROAD	NUMBER	TYPE	VALUE TO WGT OPERATE	VALUE TO DISPLAY	VALUE TO SCRAP	REMARKS	
LOCOMOTIVES							
GRVTN PPP	7	2-4 -2T	120000	15000	3000	ENG TRKS ,SPRGS,BRASS,BCDY	
GTH	5039	4-2-2	400000	30000	12000	COMPLETE	
IC	790	2-2-0	200000	35000	6000	COMPLETE FAIR	
LAVIND	3	0-6-0T	92500	8000	2300	MSTLY COMPLETE	
LBR	1923	2-8-0	120000		10000	3600	WORE OUT
LSWR BR	53	0-6-2	120000	25000	3600	COMPLETE	
MASSELTC	1	0-4-0T	50000	7500	1500	LKS STEAM	
MDW RV LP	1	2 TR SHAY	100000		12300	3000	BOILER,GEARS,JOINTS
MEC	519	2-8-0	338000	40000	10100	FAIR ALL AROUND NT CMPLT	
N&STL	210	2-6-0	120000		12000	3600	COMPLETE BAD AXLES, DRIVER HES
NH TRP PK	39	0-4-0T	84000		6000	2500	COMPLETE FAIR
NKP	759	2-8-4	500000	50000	18000	TUBES,SH UNTS,VALVES,RO BRGS	
PDG	2124	4-6-4	400000	45000	12000	COMPLETE SOUND EXCPT BSTR	
RDY VLY	15	2-8-0	200000	40000	6000	TUBES,TRN TIRES	
SIMONS	1	0-4-0T	50000		2500	1500	HULK
SIMONS	2	0-6-0T	50000		5000	1300	HULK
SRTHN BR	926	4-4-0	160000	40000	4300	TUBES,FRA OK, NDS WHLS,JKT	
UP	737	4-4-0	140000		20000	4200	WORE OUT OLDEST US ENG IN COL, '89,ONLY 44
UP	4012	4-2-8-4	863000	65000	26100	COMPLETE	HUGE
VULCAN	GAS LOCO	B	10000		1000	300	SHELL
WHITCOMB	GAS LOCO	B	20000	2500	600	NDS CLTCH	

R.H.POTTER ASSOCIATES, INC. RFD #2 FREEPORT MAINE 04032

STEAMTOWN FOUNDATION SCRANTON, PA.

EQUIPMENT APPRAISAL 01/06/86

ROAD	NUMBER	TYPE	VALUE TO WGT	VALUE TO OPERATE	VALUE TO DISPLAY	VALUE TO SCRAP	REMARKS
PASSENGER CARS							
B&M	84	DINER	110000	8000		2700	NICE NDS 1 BODY PANEL
B&M	228	COMBINE	60000	2000		500	?
B&M	253	COMBINE	50000	8000		500	MOVIE CAR
B&O	MONOMCY 1	PRIVATE	120000	3000		2700	STL QVR WD SIDES FALLING OFF
BRIT RY	6705	COACH	80000	4000		500	COMPLETE NEEDS WORK
CBQ	1256	SLEEPER	60000	6000		2000	FAIR EX EMPIRE BUILDER CHEYENNE RIVER
CBQ	DENEHOTSOPPLR	QBS	60000	5000		2000	ROUGH
CNJ	303	COMBINE	115000	4000		2700	HPK. DAMAGE NEEDS TRUCKS
CNJ	717	COACH	110000	6000		2700	IN USE
CNJ	718	COACH	110000	4000		2700	NEEDS WINDOS, INTRR CLNG & TRKS
CNJ	719	COACH	110000	6000		2700	IN USE
CNJ	1006	COACH	110000	6000		2700	IN USE
CNJ	1009	COACH	110000	5000		2700	NDS 3 STS WMLS, INTERIOR WK
CNJ	1022	COACH	110000	6000		2700	IN USE
CNJ	1023	COACH	110000	6000		2700	IN USE
CNJ	1026	COACH	110000	6000		2700	IN USE
CNJ	1026	COACH	110000	6000		2700	IN USE
CNJ	1062	COACH	110000	6000		2700	IN USE
CNJ	1152	COACH	110000	6000		2700	IN USE
B&M	2068	COMBINE	70000			2000	CARBODY EX OFFICE
CNJ	952	COACH	110000	4000		2000	?
DL&W	550	COACH	80000	6000		2000	IN USE
DL&W	580	COACH	80000	6000		2000	IN USE
DL&W	589	COACH	80000	6000		2000	IN USE
DL&W	613	COACH	80000	6000		2000	IN USE
EL	3	BUSINESS	150000	50000		4200	NICE SERVICABLE
EL	495	BAGGAGE	100000	5000		3000	COMPLETE, USED AS STATIONARY TOOL CAR
ERIE	STLWL 1	COACH	80000			1800	TO BE SCRAPPED
ERIE	STLWL 2	COACH	80000	4000		1800	MECH & INSIDE FAIR, W SILLS SIDES PR
ERIE	STLWL 3	COACH	80000	4000		1800	MECH & INSIDE FAIR, W SILLS SIDES PR
ERIE	STLWL 4	COACH	80000	4000		1800	MECH & IN SIDE FAIR, W SILLS SIDES PR

EXHIBIT A TO LOAN AGREEMENT
 BETWEEN NORTHEASTERN BANK OF PENNSYLVANIA AND
 STEAMTOWN FOUNDATION FOR THE PRESERVATION OF STEAM AND RAILROAD AMERICANA

R.H.POTTER ASSOCIATES, INC. RFD #2 FREEPORT MAINE 04932
 STEAMTOWN FOUNDATION SCRANTON, PA.
 EQUIPMENT APPRAISAL 01/03/86

ROAD	NUMBER	TYPE	VALUE TO MGT	VALUE TO OPERATE	VALUE TO DISPLAY	VALUE TO SCRAP	REMARKS
PASSENGER CARS							
L&N	1120	RPO	120000	5000		3600	GOOD ON DISPLAY
LI	7022	COACH	60000	5000		1400	IN USE
LI	7016	COACH	60000	3000		1400	RESTORABLE
LI	7018	COACH	60000	3000		1400	RESTORABLE
LI	7031	COACH	60000	3000		1400	RESTORABLE
LI	7035	COACH	60000			1400	SCRAP
LI	7045	COACH	60000	3000		1400	RESTORABLE
LI	7031	COACH	60000			1400	SCRAP
LI	7032	COACH	60000	3000		1400	RESTORABLE
LI	7039	COACH	60000	5000		1400	IN USE GIFT SHOP
LI	7102	COACH	60000	5000		1400	IN USE
LI	7109	COACH	60000	5000		1400	IN USE
LI	7115	COACH	60000			1400	SCRAPPED?
LI	7127	COACH	60000	3000		1400	RESTORABLE
LI	7128	COACH	60000	3000		1400	RESTORABLE
LI	7133	COACH	60000	5000		1400	IN USE
LI	7136	COACH	60000	3000		1400	RESTORABLE
LI	7393	COACH	60000			1400	SCRAP
LI	7394	COACH	60000			1400	SCRAP
LI	7399	COACH	60000			1400	SCRAP
LI	7426	COACH	60000			1400	SCRAP
LI	7433	COACH	60000	5000		1400	IN USE
LI	7436	COACH	60000	3000		1400	RESTORABLE
LI	7468	COACH	60000	3000		1400	RESTORABLE
LI	7472	COACH	60000			1400	SCRAP
LI	7483	COACH	60000	3000		1400	RESTORABLE
ORLP	124	COACH	30000		1000	200	REPAIRED
ORLP	102	COACH	30000		500	200	POOR NOS END SILLS
RUT	129	BAGGAGE	60000	1500		1800	NOS SIDE PANELS
RUT	251	COMBINE	60000	3000		1200	GOOD NOS SIDING
6JLC	3	COMBINE	40000	1000		500	POOR

EXHIBIT A TO LOAN AGREEMENT
 BETWEEN NORTHEASTERN BANK OF PENNSYLVANIA AND
 STEAMTOWN FOUNDATION FOR THE PRESERVATION OF STEAM AND RAILROAD AMERICANA

STEAMTOWN FOUNDATION SCRANTON, PA.

EQUIPMENT APPRAISAL 01/03/86

ROAD	NUMBER	TYPE	VALUE TO WGT OPERATE	VALUE TO DISPLAY	VALUE TO SCRAP	REMARKS	
FREIGHT AND MISC. CARS							
CP	415785	AUX TDR	30000	4000	2400	SOUND	
N&W	759 A	AUX TDR	30000	4000	2400	SOUND	
LNE	581	CABOOSE	40000	3000	1200	FAIR STEEL FOR SALE	
LNE	582	CABOOSE	40000	3000	1200	FAIR STEEL FOR SALE	
LNE	583	CABOOSE	40000	3000	1200	FAIR STEEL FOR SALE	
LNE	580	CABOOSE	40000	4000	1200	NICE STEEL	
RUT	28	CABOOSE	40000	4000	300	GOOD WOOD	
RUT	28	CABOOSE	40000		300	? WOOD	
RUT	33	CABOOSE	40000	6000	300	NICE CAMP WOOD-PBLT INT-FOR SALE	
C&C	50	CABOOSE	40000	1000	300	FAIR WOOD	
C&C	51	CABOOSE	40000	1000	300	FAIR WOOD	
SJLC	53	CABOOSE	40000	500	300	POOR WOOD	
VTR	7	CABOOSE	40000	2000	1000	FAIR	
B&M	W 3013	BOX CAR	40000	1000	300	FAIR-FOX TRX, K BRK	
CV	4359	BOX CAR	40000	2000	300	NICE	
GMRC	358	BOX CAR	50000	2000	1000	GOOD	
GMRC	352	BOX CAR	50000	2000	1000	GOOD	
GMRC	363	BOX CAR	50000	2000	1000	GOOD	
GMRC	366	BOX CAR	50000	2000	1000	GOOD	
GMRC	381	BOX CAR	50000	2000	1000	GOOD	
GMRC	501	BOX CAR	30000	500	500	NO TRKS FOR SALE?	
RUT	9194	BOX CAR	40000	1000	300	POOR	
RUT	?	BOX CAR	20000		100	NO TRKS	
VTR	503	BOX CAR	50000	2000	1000	GOOD	
VTR	526	BOX CAR	50000	2000	1000	GOOD	
C&C	60	PLOW	50000		1000	300	GOOD
CNJ	5	WRECKER	250000		10000	7500	BAD BOILER
CNJ	3208	IDLR FLAT	50000	1000		1000	IDLER FOR CNJ 5 WRECKER-FAIR
EB&L	LOADER	LOG TRX	20000		2000	500	FAIR-POOR
RUT	X 170	PILE DRIV	100000	4000		3000	COMPLETE
RUT	X 170 T	TENDER	30000	2000		800	FAIR
RUT	X 170 F	FLAT CAR	40000	1000		800	IDLER FOR PILE DRIVER
RUT	2777	FLAT CAT	30000	1000		800	FAIR