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SEP 13 1982-3 02 PM

INTERSTATE COMMERCE COMMISSION

WASHINGTON, D.C. 20005

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SEP 13 1982-3 02 PM

INTERSTATE COMMERCE COMMISSION

SEP 13 1982-3 02 PM

September 13, 1982

No. SEP 13 1982
Date
Fee \$ 50.00
ICC Washington, D. C.

* ADMITTED IN CA. ONLY INTERSTATE COMMERCE COMMISSION

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

Re: Recordation of Documents:
Sales Orders and Security Agreement

Dear Ms. Mergenovich:

Please find enclosed for recordation pursuant to 49 U.S.C. 11303 two counterpart copies of:

SECURITY AGREEMENT, dated September 10, 1982, by and between The First National Bank of Dunmore ("Creditor") and Pocono Northeast Railway, Inc. ("Debtor"), with SALES ORDER NOS. 2-00-5101 and 2-00-5102 dated August 23, 1982, of Pocono Northeast Railway, Inc. ("Vendee") to Consolidated Rail Corporation ("Vendor"), attached.

The names and address of the parties to this transaction are as follows:

Vendee and Creditor

Pocono Northeast Railway, Inc.
81 West Union Street
Wilkes-Barre, PA 18701

Creditor

First National Bank of Dunmore
102 East Drinker Street
Dunmore, Pennsylvania 18512

Vendor

Consolidated Rail Corporation
Six Penn Center
Philadelphia, PA

SEP 13 2 53 PM '82

Handwritten signatures:
Henry Weiner
C. Cantor

The equipment that is the subject of this transaction is described as follows:

Two (2) used locomotives: (1) model SW-900, built by the Electro-Motive Division of General Motors Corporation with the Consolidated Rail Corporation reporting mark "CR 8638", (2) Model SW-1, built by the Electro-Motive Division of General Motors Corporation with the Consolidated Rail Corporation reporting mark "CR 8408".

Pursuant to 49 C.F.R. Part 1116, please stamp the documents described above with the date and hour of recordation, a recordation number and a notation to the effect that it has been filed pursuant to the provisions of section 11303 of the Title 49, United States Code. After performing these tasks, please retain one copy of these documents in the Commission's files and return the other to the delivering agent of:

Witkowski, Weiner, McCaffrey and Brodsky, P.C.
1575 Eye Street, N.W., Suite 350
Washington, D.C. 20005

Enclosed is a check drawn to the order of the Interstate Commerce Commission for filing fees.

Your cooperation is appreciated.

Pocono Northeast Railway, Inc.

By its Special Counsel,



R. Lawrence McCaffrey, Jr.
Peter A. Gilbertson
Mark Sidman
Witkowski, Weiner, McCaffrey
and Brodsky, P.C.
Suite 350
1575 Eye Street, N.W.
Washington, D.C. 20005

Interstate Commerce Commission
Washington, D.C. 20423

9/13/82

OFFICE OF THE SECRETARY

Mark Sidman
Witkowski, Weiner, McCaffrey & Brodsky, P.C.
1575 Eye Street, N.W. Suite 350
Washington, D.C. 20005

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 **9/13/82** at **3:00pm**, and assigned re-
recording number(s). **13791-A & 13791-B**

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

Security Agreement

THIS AGREEMENT, Made the 10th day of SEPTEMBER 1982,
by and between

THE FIRST NATIONAL BANK OF DUNMORE, a national banking association,

RECORDATION NO. 13791 Filed 1425

SEP 13 1982 - 3 PM

of the Borough of Dunmore
County of Lackawanna, and State of Pennsylvania
hereinafter called the Creditor, AND

POCONO NORTHEAST RAILWAY, INC., a Pennsylvania corporation,

of the City of Wilkes-Barre, County of Luzerne
and State of Pennsylvania, hereinafter called the Debtor;

WHEREAS, the Debtor, concurrently with the execution and delivery of this Agreement, is becoming indebted to the Creditor in the amount of \$109,751.00, further evidenced by the Debtor's promissory note of even date herewith in said amount, payable in accordance with the terms of said note, which is incorporated herein by reference;

AND WHEREAS, the Debtor desires to enter into this Agreement for the purpose of creating a security interest in favor of the Creditor in the goods and chattels described in the schedule hereto attached, marked "Schedule A" and made a part hereof;

AND WHEREAS, said goods and chattels are now or will be located in Luzerne County and Lackawanna County, Pennsylvania.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH, That Debtor, in order to secure (1) the payment of the debt evidenced by said note; (2) all costs and expenses incurred in the collection of the same, including the attorney fee and commission therein provided for; (3) all future advances and expenditures made by the Creditor for any rents, taxes, levies, assessments, charges, insurance, repairs, maintenance or protection on or of the goods and chattels described in Schedule A hereof; (4) all other money heretofore or hereafter advanced by the Creditor to or for the account of the Debtor at the option of the Creditor, and/or all future direct or contingent liabilities of the Debtor to the Creditor and (5) together with all interest on all of the foregoing, and intending to be legally bound, hereby grants to the Creditor a security interest in said goods and chattels described on Schedule A hereof.

UNTIL default hereunder, Debtor shall be entitled to possession of the goods and chattels and to use and enjoy the same.

THE DEBTOR warrants and agrees that:

1. If this transaction involves the loan of money from the Creditor to the Debtor for the purpose of acquiring goods and chattels with the proceeds of the loan, the Debtor will use the entire proceeds of the borrowing, together with such additional funds of the Debtor as may be necessary to pay the purchase price for the goods and chattels, and for no other purpose.

2. The goods and chattels are not now and will not be so affixed or related to realty as to be a part thereof.

3. The goods and chattels are or will be owned by the Debtor and are not subject to any security interest except that created by this Agreement, or to any liens or encumbrances, and the Debtor will defend the goods and chattels against the claims and demands of all persons.

4. The Debtor will not sell, exchange, lease, mortgage, encumber or pledge, conceal, remove or otherwise dispose of the goods and chattels, or create any security interest therein (except that created by this Agreement), or attempt to do so without the prior written consent of the Creditor.

5. Debtor will care for and maintain the goods and chattels in a good, careful and husbandlike condition, manner and repair, reasonable wear and tear excepted, and will pay and discharge all taxes, levies and other impositions levied thereon as well as the cost of repairs to or maintenance of the same. If Debtor fails to pay such sums, Creditor may do so for Debtor's account, adding the amount thereof to the debt secured hereby;

6. Debtor will insure the goods against such risks and casualties and in such amounts as Creditor shall require, and shall pay all premiums therefor. All insurance policies shall be written for the benefit of Debtor and Creditor as their interests may appear, and such policies or certificates evidencing the same shall be furnished to Creditor. If Debtor fails to pay the premium on any such insurance, Creditor may do so for Debtor's account, adding the amount thereof to the debt secured hereby. Debtor hereby assigns to Creditor any return or unearned premiums which may be due upon cancellation of any such policies for any reason whatsoever and directs the insurers to pay Creditor any amounts so due. Creditor is hereby appointed Debtor's attorney-in-fact to endorse any draft or check which may be payable to Debtor in order to collect such return or unearned premiums or the proceeds of such insurance; any balance of insurance proceeds remaining after payment in full of all amounts secured hereunder shall be paid to Debtor.

7. Debtor will not permit any of the goods to be removed from the location specified above without the prior written consent of Creditor, and will permit Creditor to inspect the goods and chattels at any time.

8. Debtor will not permit any other security interest to attach to any of the goods; permit the goods to be levied upon under any legal process; or permit anything to be done that may impair the value of any of the goods and chattels or the security intended to be afforded by this Agreement.

9. Debtor will pay all costs of filing any financing, continuation or termination statement with respect to the security interest created by this Agreement. Creditor is hereby appointed Debtor's attorney-in-fact to do all acts and things which Creditor may deem necessary to perfect and continue perfected the security interest created by this Agreement and to protect the goods and chattels.

10. Debtor will promptly notify the Creditor of any change in his residence or of the location of any of the goods and chattels and hereby certifies that the Debtor's present residence is at the address shown above.

11. If the goods include a motor vehicle for which a certificate of title is issuable, Debtor will deliver to Creditor the certificate of title issued with respect thereto, and hereby agrees to cause a statement of Creditor's security interest to be noted as a lien on said certificate. Failure of Debtor to deliver the certificate of title to Creditor within ten (10) days from the date of this Agreement shall constitute a default hereunder.

12. If any of said goods and chattels shall be injured or destroyed without fault of Debtor, such injury or destruction shall, at the option of the Creditor, constitute a default under this Agreement, for that portion injured or destroyed. After notice of ninety days by the creditor to the debtor.

13. The death, bankruptcy or insolvency of the Debtor shall, at the option of the Creditor, cause the entire indebtedness secured hereby to become immediately due and payable.

PROVIDED, HOWEVER, That in case of default in the payment of said debt or any part or future advances, expenditures or liabilities hereby secured, or in the due observance or performance of any of the other conditions or agreements hereof, or in case any of the warranties of Debtor herein contained shall prove to be false or misleading, Creditor may declare the unpaid balance of said debt and all such advances, expenditures and liabilities immediately due and payable without demand or notice, and Creditor may proceed to exercise any one or more of the rights or remedies accorded by the Uniform Commercial Code enacted in Pennsylvania on April 6, 1953, and any rights or remedies upon any judgment entered upon the accompanying note simultaneously or consecutively, and the choice of one or more rights or remedies shall not be construed as a waiver or election barring other rights or remedies. It is understood and agreed that this Agreement has been made and entered into in pursuance to said Code and shall be subject to all of the provisions thereof, and the Creditor has all the rights and remedies accorded thereby. If any provision of this Agreement shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, but this Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein. Upon the happening of any such default, Debtor, upon demand by the Creditor, shall assemble the goods and chattels and make them available to the Creditor at a place reasonably convenient to both parties.

If Debtor is to acquire goods and chattels with the proceeds of a loan secured hereby, then the Debtor hereby authorizes the Creditor to disburse the proceeds of said borrowing directly to the seller of the goods and chattels and/or to the insurance agent or broker.

The rights and privileges of Creditor under this Agreement shall inure to the benefit of their, his, her or its heirs, legatees, personal representatives, successors and assigns. All covenants, warranties and agreements of Debtor contained in this Agreement are joint and several and shall bind their, his, her or its personal representatives, heirs, legatees, successors and assigns.

WITNESS the due execution hereof the day, month and year first above written.

ATTEST:

POCONO NORTHEAST RAILWAY, INC.

[Signature]

By: *[Signature]* 

Debtor
THE FIRST NATIONAL BANK OF DUNMORE

By: *[Signature]* 
Creditor

XXXXXXX Witness or Attest:

[Signature]
Vice President ~~Secretary~~

COMMONWEALTH OF PENNSYLVANIA:
:SS
COUNTY OF Lackawanna :

On this, the 10th day of SEPTEMBER, 1982, before me the undersigned officer, personally appeared G. DAVID CRANE, who acknowledged himself to be the PRESIDENT of Pocono Northeast Railway, Inc., a Corporation, and that he as such PRESIDENT, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the Corporation by himself as

WITNESS my hand and official seal, the day and year aforesaid.

[Signature]
NOTARY PUBLIC

COMMONWEALTH OF PENNSYLVANIA:
:SS
COUNTY OF LACKAWANNA :

DANIEL DAVID KUCHAR, NOTARY PUBLIC
SCRANTON, LACKAWANNA COUNTY
MY COMMISSION EXPIRES SEPT. 2, 1985
Member, Pennsylvania Association of Notaries

On this, the 10th day of September, 1982, before me the undersigned officer, personally appeared J. David Lombardi who acknowledged himself to be the Senior V.P. of The First National Bank of Dunmore, and that he as such Senior V.P., being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the Bank by himself as

WITNESS my hand and official seal, the day and year aforesaid.

DANIEL DAVID KUCHAR, NOTARY PUBLIC
SCRANTON, LACKAWANNA COUNTY
MY COMMISSION EXPIRES SEPT. 2, 1985
Association of Notaries

[Signature]
NOTARY PUBLIC

Security Agreement

Debtor

POCONO NORTHEAST RAILWAY,

INC.

Creditor

THE FIRST NATIONAL BANK OF

DUNMORE

SCHEDULE "A"

LOCOMOTIVES & VEHICLES

<u>Description</u>	<u>Quantity</u>
B-7050 Hi Railer 78 Chevy Suburban No. CCL268F110535	1
S-2118 Block Truck 75 Ford LNT-8000 w/air compressor & electric welder No. U81DVX14199	1
CR-8638 SW-9 E.M.D. Locomotive Built 12/55	1
CR-8408 SW-1, E.M.D. Locomotive	1
CR-8408 Hi Railer CR-8408 Chevy Pick-up	1

TRACK MATERIALS & TOOLS

<u>Description</u>	<u>Quantity</u>
Claw Bar	3
Spike Maul	6
Spike Puller	2
8# Sledge D.F.	2
10# Sledge D.F.	2
12# Sledge D.F.	2
Rail Tongs	2
34-A Timber Tongs	4
18# Wedge Point Lining Bar	2
22# Wedge Point Lining Bar	2
26# Wedge Point Lining Bar	2
Track Chisel w/handle	2
Single End Track Wrench 3/4"	1
Single End Track Wrench 7/8"	1
Single End Track Wrench 1"	1
Double End Track Wrench 7/8 x 1	1
Double End Track Wrench 1 x 1 1/8	1
#17 Pipe Center Gage	1
#27 Track Level	1
Radio Car Door Opener #15	1
Radio Car Door Opener #30	1
First Aid Kit A/O W110	4
Maul Handles	4
Sledge Handles	4
Pick Handles	4
Safety Glasses, with clear side shield	12
Hard Hats w/ adjustable head band	12
Rail Fork	3
Track Punch	2

<u>Description</u>	<u>Quantity</u>
Track Shovel	6
Bush Hooks	3
Ballast Forks	3
Ditch Spade	2
A 17 Track Jacks Aluminum	2
5/8x6" Track Spikes	12
Frog Wrench 1 1/2 x 1 3/4	1
Washers	2
Bolt-Keg	2
Bond Wire	1 box
Ties, 7 IG	50
Locks	48
Keys	25
Claw Bar	1
Spike Maul	1
Rail Tongs	3
Lag Screwdrivers	2
Track Cart	1
Dolly Cart, 3 wheeler	1
Nolan Butterfly Rerailers	1 pair
Rerailers (over rail)	2 pair
Butterflies without wedges	3 pair
Rerailing Shells	7 pair
Gauge Rods Fixed	21
Gauge Rods Adjustable	13
90-112 Comp. Bars	4
100-135 Comp. Bars	3
130-135 Comp. Bars	2
130-100 Comp. Bars	2
Come Along	1
Track Jacks	2
Track Gauge	1
Track Level	1
Claw Bar	4
Spike Maul	3
Lining Bars	2
Track Jacks	2

SAFETY LAMPS

<u>Description</u>	<u>Quantity</u>
Trainmans Lantern Model 222-RIH	6
Bulbs	4 dozen
Car Inspectors Lamp Model 500B	6
High Intensity Marker 861 Amber	2
Charger 854-12	1

LOCOMOTIVE MATERIAL

<u>Description</u>	<u>Quantity</u>
Fuel Oil	1,000 gal
Fueling Adapter	2
Fueling Oil Filters	5
Lube Oil	2-55 gal. drums
Air Compressor Oil	1-55 gal. drum
Governor Oil	10 gallons
Jet Lube	2 cases/48 lb. per case
Fuses, various sizes	24
Head Light Bulb	2
Light Bulb-74V	1 carton
Water Hose	100 ft. heavy duty
Sand hose-pipe fittings copper tubing	6
Back up Air Hose	1
Locomotive Brake Shoes	204 per pallet
Bell Ring	1
Assorted Engine Gaskets	1 case
Fire Extinguishers	4 (50 lbs.)
Sand-Bag	2 ton
Blue flags	material to make
Heavy bar	1

CAR DEPARTMENT MATERIALS

<u>Description</u>	<u>Quantity</u>
Air hose gaskets	100
Angle cocks	6
Nipple, Union, Elbows	12
Air Hose	12
Cast iron brake shoe	1 pallet
2" comp. shoe	1 pallet
Brake Shoe key	50
E. 60 CHT Couplers body R	6
E. 50 HT coupler knuckles R	6
E. 40 coupler locks	6
E. 24A coupler lock lifter R	12
E. 30 coupler thrower R	6
Coupler cross key ret.	6
Coupler draft key ret. lock	6
Coupler draft key	3
Coupler draft key washer	3
Uncoupling lever non telescoping	6
Uncoupling level telescoping	6
Coupler knuckle pin	6
Coupler yokes Y to HT	1
Journal lubricators 5 1/2 X 10 Group A	1 box
Journal lubricators 6 X 11 Group A	1 box

<u>Description</u>	<u>Quantity</u>
Steeple back jrnl. brass 10"	4
Steeple back jrnl. brass 11"	4
Journal wedge 11" steeple back	4
Journal wedge 10" steeple back	4
Journal box lids 10"	12
Journal box lids 11"	12
3/8 X 5 std. cotter keys	1 box
Assorted bolts	1 box
Seal pin door wedges	12
Center pins	6
Brake pins	12
6 X 11 roller brg. adapters	2
5 1/2 X 10 roller brg. adapters	2
Vertical brake wheels	3
Rags, oil cans, car oil, oil rack hauling chains, blue flags lanterns, 1 set sockets, open end wrenches, box wrenches, bars, hammers, sledge, spudding bar	

RADIOS

<u>Description</u>	<u>Quantity</u>
base station	1
locomotive radios/pack	2
portables	4