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ARTHUR B. AXELSON
MARK H. SIDMAN

(202) 628-2000 REGISTRATION NO. 13791-C

OCT 21 1983 12 30 PM

INTERSTATE COMMERCE COMMISSION

October 21, 1983

FEE OPERATION RR.
U.S.C.

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:

FIRST SUPPLEMENT TO SECURITY AGREEMENT, dated
October 6, 1983, by and between The First National
Bank of Dunmore ("Creditor") and Pocono Northeast
Railway, Inc. ("Debtor"), with SALES ORDER NO.
3-00-5069 dated October 5, 1983, 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

294A049

No. 1
Date: OCT 21 1983

Time: 10:00

State Authority

1 Dunmore

Ms. Agatha L. Mergenovich -2- October 21, 1983

Vendor

Consolidated Rail Corporation
Six Penn Center
Philadelphia, PA 19104

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

One (1) used locomotive: model GP-9, built by the Electro-Motive Division of General Motors Corporation with the Consolidated Rail Corporation reporting mark "CR 7242".

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

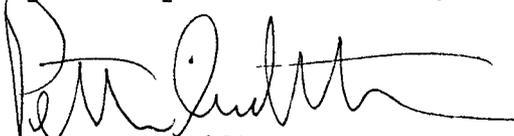
Enclosed is a check drawn to the order of the Interstate Commerce Commission for filing fees.

Your cooperation is appreciated.

Respectfully submitted,

POCONO NORTHEAST RAILWAY, INC.

By its Special Counsel,



Peter A. Gilbertson
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

10/21/83

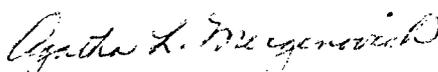
OFFICE OF THE SECRETARY

Peter A. Gilbertson
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 **10/21/83** at **12:30pm** and assigned re-
recording number (s). **13791-C**

Sincerely yours,


Agatha L. Mergenovich
Secretary

Enclosure (s)

By and Between:

FIRST NATIONAL BANK OF
DUNMORE

- And -

POCONO NORTHEAST RAILWAY,
INC.

FIRST SUPPLEMENT
TO SECURITY AGREEMENT

HAGGERTY, McDONNELL & O'BRIEN

ATTORNEYS AT LAW

JORDAN BUILDING

203 FRANKLIN AVENUE

SCRANTON, PENNSYLVANIA 18503

13791-C

OCT 21 1983

FIRST SUPPLEMENT TO SECURITY AGREEMENT

The Security Agreement between the FIRST NATIONAL BANK OF DUNMORE, hereinafter called the "Creditor" and POCONO NORTHEAST RAILWAY, INC., hereinafter called the "Debtor" dated September 10, 1982 is hereby supplemented and amended as follows:

- 1. The Security Agreement and this Supplement shall be deemed one integrated document.
- 2. CR-8638 SW-9 E.M.D. Locomotive built 12/55 is hereby deleted from "Schedule A" and in its place Debtor grants and creates a security interest in favor of the Creditor in CR-7242 - GP-9 E.M.D. locomotive built 10/59.
- 3. Except as modified by this Supplement, all terms and conditions of the Security Agreement shall continue in full force and effect.

Dated this 6th day of October, 1983.

ATTEST:
Joseph E. McInnes
Secretary, ~~Asst~~

POCONO NORTHEAST RAILWAY, INC.
By G. David Crane
G. David Crane Debtor

ATTEST:
Saravoy J. Hoffman
Assistant Secretary

FIRST NATIONAL BANK OF DUNMORE
By David L. Leland, S.H.
Creditor

COMMONWEALTH OF PENNSYLVANIA :
: ss.
COUNTY OF :

On this, the 6th day of OCTOBER, 1983, 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 President.

Witness my hand and official seal, the day and year aforesaid,

Daniel David Kuchar
Notary Public
DANIEL DAVID KUCHEK, NOTARY PUBLIC
SCRANTON, LACKAWANNA COUNTY
MY COMMISSION EXPIRES SEPT. 2, 1985
Member, Pennsylvania Association of Notaries

COMMONWEALTH OF PENNSYLVANIA :
: ss.
COUNTY OF LACKAWANNA :

On this, the 6th day of OCTOBER, 1983, before me, the undersigned officer, personally appeared J. David Lombardi, who acknowledged himself to be the Sr. Vice President of the First National Bank of Dunmore, and that he as such Sr. Vice President, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the Bank by himself as Sr. Vice President.

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

Daniel David Kuchar
Notary Public

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

CONSOLIDATED RAIL CORPORATION

MATERIALS AND PURCHASING DEPT.
ROOM 301 1528 WALNUT STREET
PHILADELPHIA, PENNSYLVANIA 19102

Sold To Pocono Northeast Railway Inc.
81 West Union Street
Wilkes-Barre, Pa. 18701

Sales Order No.

3-00-5069

Attn: Mr. Robert McNichols
General Manager

DATE
10-5-83

THE FOLLOWING MATERIAL WILL BE SHIPPED AS SHOWN BELOW IN ACCORDANCE WITH PURCHASER'S ORDER NO.

QUANTITY NUMBER	UNIT	DESCRIPTION OF MATERIAL	PRICE (PER UNIT)
1	EA	Retired Diesel Electric Locomotive, EMD Model GP-9 in "As-Is" condition. CR 7242	\$48,000.00 EA

TO BE SHIPPED BY
J. J. Butler, Chief Mech. Officer
Consolidated Rail Corporation
Room 750-Six Penn Center
Philadelphia, Pa.

TERMS OF PAYMENT
Check No. 290, dated 10-5-83, in Amount
of \$48,000.00, Forwarded to Conrail
Depository PO Box 8500-S-2350, Phila., Pa.
19178; Paid Bill No. A16/10307

FROM
Enola, Pa.

F.O.B. CONSOLIDATED RAIL CORPORATION
Conrail Tracks - Pittston, Pa.

CONSIGN TO CONSOLIDATED RAIL CORPORATION
C/O FREIGHT AGENT Pittston, Pa.

Ship to: Pocono Northeast Railway Inc.
Pittston, Pa.
Conrail Delivery

TO THE PURCHASER

PURCHASER

"This is your copy of the order issued for the sale to you of the material described above. Unless previously confirmed by form PUR 11, this sale is subject to final availability."

Correspondence concerning this order and shipments or billing in connection therewith should be directed to Director-Asset Disposition.

The Purchaser understands and agrees that the sale of the material or equipment described above is subject to the terms and conditions on the reverse side hereof and attached hereto.

ADDITIONAL TERMS AND CONDITIONS ATTACHED YES

By 
DIRECTOR-ASSET DISPOSITION