

The Provident

PROVIDENT NATIONAL BANK

1818 MARKET STREET OFFICE: 1818 MARKET STREET
PHILADELPHIA, PA 19103 TEL: (215) 585-6600

RECORDATION NO. **11385** Filed 1425

JAN 10 1980 - 11 09 AM

INTERSTATE COMMERCE COMMISSION December 27, 1979

0-010AC22

Interstate Commerce Commission
Room 1227
12th & Constitution Avenues NW
Washington, D.C. 20423

Gentlemen:

Date **JAN 10 1980**
Fee \$ **50.00**
ICS Washington, D. C.

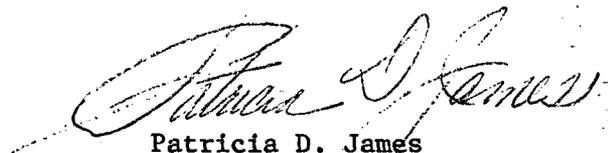
I transmit for filing pursuant to Section 11303 of Title 49 of the United States Code original and executed counterparts of the following document:

Security Agreement between Provident National Bank, as Secured Party, and James J. Hogan, the Debtor, covering one one hundred ton triple hopper 4,750 cu. ft. railroad car with center pockets gravity discharge and trough hatch roof. PLMX #11651.

The address for James J. Hogan, (as Owner and Debtor) is 1545 Tanglewood Drive, West Chester, Pa.

Address for the Secured Party is: 1818 Market Street, Philadelphia, Pa. 19103. Our check is enclosed to cover the filing fee in the amount of \$50.00. Please return the original to Provident National Bank with the recording certification data stamped thereon to the attention of the undersigned at the address specified above.

Very truly yours,


Patricia D. James
Banking Officer

enc.

The Provident

PROVIDENT NATIONAL BANK

1818 MARKET STREET OFFICE: 1818 MARKET STREET
PHILADELPHIA, PA 19103 TEL: (215) 585-6600

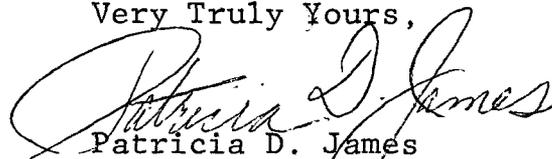
January 11, 1980

Interstate Commerce Commission
Room 2303
12th & Constitution Avenues N.W.
Washington, D.C. 20423
Attn: Mrs. Mildred Lee

Dear Mrs. Lee,

Pursuant to our telephone conversation of Jan. 8, 1980 I am enclosing a notarized copy of our Loan and Security Agreement with Mr. James J. Hogan. I am enclosing a copy of our original transmittal letter dated Dec. 27, 1979 which included filing instructions as well as our \$50.00 check to cover the filing fees.

Very Truly Yours,


Patricia D. James
Banking Officer

JAN 10 1980 - 11 00 AM

LOAN AND SECURITY AGREEMENT Between PROVIDENT NATIONAL BANK ("Bank")

INTERSTATE COMMERCE COMMISSION

and JAMES J. HOGAN

("Borrower") made this 21st day of Dec, 1979

Asterisks (*) denote completions, selections or deletions and require attention of Lending Officer and Borrower.

SECTION I - THE LOAN

* 1.1. Bank will lend to Borrower, a ~~SOLE PROPRIETORSHIP~~ [proprietorship] delete those not applicable and Borrower will borrow from Bank the aggregate sum of \$ 71,713.32 ("Loan") pursuant to the terms and conditions of this Agreement, Borrower has executed and delivered to Bank a note ("Note") of even date herewith, in the full amount of the loan, due and payable in accordance with its terms.

* 1.2. DISBURSEMENT. Select and Borrower initial. Provided Borrower is not in default hereunder, Bank will advance funds to Borrower as indicated below. Bank will make ledger entries of all advances and of all payments hereunder and said ledger shall be conclusive evidence of the status of the accounts between Borrower and Bank with respect hereto.

TERM LOAN: At Borrower's request from time to time until 19 , in multiples of \$, not exceeding the aggregate amount set forth in 1.1.

INSTALLMENT LOAN: Bank will advance the full amount of the loan upon the execution hereof.

REVOLVING LOAN: At Borrower's request from time to time until 19 , in multiples of \$, provided that the aggregate amount advanced, less repayments, shall not exceed the amount set forth in 1.1.

* 1.3. REPAYMENT & INTEREST. Select and Borrower initial. If the interest rate above is based on "prime", changes in the rate shall become effective as and when Bank announces changes in its "prime rate". Interest will be calculated for the actual number of days that principal is outstanding based on a 360 day year, unless otherwise specified. During such time that a dual or multiple "prime rate" system is in effect, interest shall be computed hereunder at the highest "prime rate" allowed by law.

TERM LOAN: Borrower shall repay the Loan in equal installments of \$ [() including interest; () plus interest as billed] beginning on and continuing on the corresponding day of each succeeding with all principal and any accrued interest thereon due on . Borrower shall pay interest on the outstanding principal balance of the Loan at the rate of % [() per annum; () in excess of the "prime rate" charged by Bank from time to time for a 90 day unsecured loan]

INSTALLMENT LOAN: Borrower shall repay the Loan in 84 monthly installments of \$ 853.73 each and final installment of \$ 853.73 . The first such installment shall be paid on Jan. 25, 1980 the remaining installments on the corresponding date of each succeeding month thereafter. Interest shall be calculated at the rate of % computed on an [() add-on; () discount] basis, which is the equivalent of 17 % annual percentage rate.

REVOLVING LOAN: Borrower shall pay interest on the outstanding principal balance of the loan monthly as billed at the rate of % in excess of the "prime rate" charged by Bank from time to time for 90 day unsecured loans.

1.4. VOLUNTARY PREPAYMENT. Borrower may prepay the principal of the Loan in whole at any time, or in part from time to time upon payment of the premium, if any, specified in the Note. Partial prepayments will be applied first against interest through the most recent billing due date and then against principal.

* 1.5. REPAYMENTS BASED ON EARNINGS. Complete and Borrower initial if applicable. In addition to the other principal payments required to be made hereunder, Borrower, will, within days after the close of each of Borrower's fiscal years beginning with the fiscal year ending , prepay, without penalty or premiums, the principal of the Loan by an amount equal to % of the amount by which the net income of Borrower after taxes for such fiscal year: (computed in accordance with generally accepted accounting principles) plus the amount of depreciation used in computing such net income, exceeds the total of all amounts which Borrower shall have paid during said fiscal year in reduction of long term indebtedness for borrowed money exclusive of earnings recapture payments hereunder. Each such repayment shall be applied in the same manner and with the same effect as a voluntary prepayment.

1.6. LATE CHARGE. Any payment required to be made by Borrower to Bank hereunder shall be accompanied by a Late Charge as specified in the Note where such payment shall not have been made by its due date.

SECTION 2 - COLLATERAL

As security for Borrower's performance under this Agreement, for the payment of the principal of and interest on the Note, in accordance with its terms, and for Borrower's discharge of all other obligations and liabilities now or hereafter due from Borrower to Bank, whether or not arising hereunder:

* 2.1. SECURITY AGREEMENT. Borrower hereby grants to Bank a security interest in the following collateral, together with all proceeds (including but not limited to proceeds of policies of insurance), products and replacements thereof and accessories thereto: select and Borrower initial.

a. EQUIPMENT. All equipment, furniture and fixtures now owned or hereafter acquired by Borrower, and all accessories, tools, and parts thereof.

b. SPECIFIC EQUIPMENT. List below, use additional sheet if necessary.

<u>MANUFACTURER'S NAME</u>	<u>MODEL TYPE</u>	<u>SERIAL NUMBER</u>
<u>National Equipco, Inc.</u> <u>RMI</u>	<u>One Hundred Ton triple hopper</u> <u>4,750 cu. ft, railroad car with</u> <u>center pockets, gravity discharge</u> XXXXXXXX <u>and trough hatch roof</u>	

c. INVENTORY. All inventory now owned or hereafter acquired by Borrower, (including returned merchandise).

d. ACCOUNTS RECEIVABLE, CONTRACT RIGHTS. All accounts receivable, contracts and contract rights and general intangibles now owned or hereafter acquired by Borrower.

e. OTHER COLLATERAL. (e.g. securities, collateral mortgages, passbooks, etc.) List below, use additional sheet if necessary.

collateral mortgage on premises located at 1545 Tanglewood Dr., West Chester, Pa.

* 2.2. INSURANCE POLICIES. Borrower hereby pledges and assigns to Bank all of Borrower's right, title and interest in the following life insurance policies: if None, write "NONE".

<u>INSURER</u>	<u>POLICY NUMBER</u>	<u>INSURED</u>	<u>AMOUNT</u>
<u>none</u>			

2.3

- 2.3. PLEDGE OF STOCK. *Borrower initial if applicable.* Borrower has caused all of the outstanding capital stock of Borrower to be pledged with and delivered to Bank duly endorsed for transfer.
- * 2.4. SURETYSHIP AGREEMENT. Borrower has caused the following to execute and deliver to Bank a suretyship agreement in form satisfactory to Bank: *if None, write "NONE"*.

2.5. GENERAL. All of the collateral described in Section 2 is hereinafter collectively referred to as the "Collateral." This Agreement is intended to be a security agreement under the Pennsylvania Uniform Commercial Code and all terms used herein which are defined in said Code shall have the same meaning as therein provided. Except as otherwise provided herein, Bank has all the rights of a secured party and Borrower has all the rights of a debtor under said Code. Borrower will join with Bank in executing such financing statements and continuation statements under said Code as Bank may specify and Borrower will pay the cost of filing the same in such public offices as Bank shall designate. Borrower will cause the owner, landlord, and mortgagee, if any, of all premises occupied by Borrower to execute and deliver to Bank an instrument in form and substance satisfactory to Bank, by which such owner and mortgagee waive their rights in the "Collateral". Borrower hereby assigns to Bank all right to receive the proceeds of insurance covering the Collateral, directs any insurer to pay all such proceeds directly to Bank, and authorizes Bank to endorse in the name of Borrower any item for the proceeds.

SECTION 3 - CONDITIONS PRECEDENT TO BORROWING

The obligation of Bank to make the Loan hereunder is subject to the following conditions precedent:

- * 3.1. INVESTMENT. *Delete if not applicable.* There shall have been invested in Borrower not less than \$ _____ in payment for shares of its capital stock or for debt obligations of Borrower which are subordinate to the Loan and are in terms and form satisfactory to Bank, and Borrower shall have delivered to Bank the certificate of a certified public accountant satisfactory to Bank with respect thereto;
- * 3.2. RESOLUTIONS, OPINIONS, INSURANCE, FINANCIAL STATEMENTS AND OTHER DOCUMENTS. Borrower shall have delivered to Bank the following: *Delete those not applicable.*
 - a. the Note duly executed;
 - b. all documents required by Bank to give effect to Section 2 hereof with respect to the Collateral;
 - c. Borrower's financial statements as of the close of its last fiscal year prepared by a certified public accounting acceptable to Bank;
 - d. certified copies of resolutions of Borrower's Board of Directors (or partnership agreement and partnership authorization) authorizing the execution of this Agreement, the Note, and all Documents required hereunder;
 - e. an original policy of insurance for the amount of the Loan issued by a carrier acceptable to Bank, insuring the Collateral against such risks as is customary among business similar to Borrower's, naming Bank as loss payee thereof and showing payment of premiums therefor;
 - f. an opinion of Borrower's counsel addressed to Bank, in form and substance satisfactory to Bank, confirming the accuracy of the representations and warranties by Borrower set forth in Section 4 hereof; and
 - g. such further certificates and documents as Bank may reasonably require from time to time.
- * 3.3. OTHER. *List below, use additional sheet if necessary.*

SECTION 4 - REPRESENTATION AND WARRANTIES

Borrower represents and warrants that:

- 4.1. Borrower is duly organized, validly existing and in good standing under the laws of the state noted in 1.1, has the power and authority to make and perform this Agreement, and is duly qualified in all jurisdictions in which it conducts business where such qualification is required.
- 4.2. The execution, delivery and performance of this Agreement, and the execution and delivery of the Note and all documents required hereunder have been duly authorized by all requisite corporate or partnership action and will not violate any provision of law or regulation or of the Articles of Incorporation or by-laws or Partnership Agreement of Borrower or of any agreement, indenture, or instrument to which Borrower is a party;
- 4.3. This Agreement and the Note and all other documents required hereunder, when executed and delivered, will be valid and binding obligations of the parties thereto enforceable in accordance with their respective terms;
- 4.4. No event has occurred which with the passage of time or the giving of notice or both could be an Event of Default hereunder;
- 4.5. There are no suits in law or equity or proceedings before any governmental instrumentality now pending, or to the knowledge of Borrower threatened, against Borrower or any guarantor of the Loan, the adverse result of which would in any material respect affect the property or operations of Borrower, or such guarantor.
- * 4.6. The property and assets of Borrower are not subject to any lien, encumbrance or security interest except the security interests created hereby and those outlined below: *Use additional sheet if necessary.*

SECURED PARTY/MORTGAGEE

EQUIPMENT/PROPERTY

AMOUNT OF DEBT

- 4.7. The balance sheet and profit and loss statement of Borrower submitted to Bank pursuant to 3.2(c) hereof are complete and correct and accurately reflect the financial condition of Borrower as of the date thereof and the result of Borrower's operations for the period covered thereby. Said balance sheet shows all liabilities of Borrower direct or contingent as of the date thereof. There has been no material adverse change in Borrower's condition, financial or otherwise, since the date of said balance sheet; and
- 4.8. Borrower has filed all required Federal, state and local tax returns and has paid all taxes as shown to be due on said returns.

SECTION 5 - ADDRESSES

- * 5.1. Borrower's mailing address is:

1545 Tanglewood Dr,
West Chester, Pa,

- * 5.2. Borrower keeps its records with respect to its accounts at the following address:

- * 5.3. Borrower does business in the following states and counties:

- * 5.4. Borrower keeps its equipment and the bulk of its inventory at the following address(es):

* 5.5. Borrower leases/owns the premises indicated in paragraph 5.4. The landlord's/Mortgagee's name and address is

SECTION 6 - BORROWER'S AFFIRMATIVE COVENANTS

Borrower covenants that so long as any indebtedness to Bank hereunder is outstanding and unpaid, Borrower will:

- * 6.1. Use the proceeds of the Loan for the following purposes only: *list below, use additional sheet if necessary.*
 - i.) **purchase of covered hopper railcar**,
 - ii.)
 - iii.)
- 6.2. Furnish to Bank its balance sheet and profit and loss and surplus statement within 30 days after the close of each fiscal quarter and within 90 days after the close of each fiscal year, furnish any such additional information as Bank may request, all data being prepared according to generally accepted accounting principles consistently applied; provided, that annual statements shall be audited by certified public accountants satisfactory to Bank;
- 6.3. Deliver to Bank within 30 days after the close of each fiscal quarter a written certification by Borrower's chief financial officer, and within 90 days after the close of each fiscal year, a written certification by the certified public accountant preparing the statements required in 6.2, that Borrower is in compliance with all terms and conditions of this Agreement, the Note, and all other agreements between Borrower and Bank; and
- 6.4. Carry insurance in addition to that required under 3.2(e), in form and amount and with carriers satisfactory to Bank, against fire (with extended coverage), liability and such other hazards as are customary with companies in the same or similar business in the same area, and where applicable, cause Bank's security interest hereunder to be endorsed on all policies of insurance in such manner that all payments for losses will be paid to Bank, and furnish Bank evidence of such insurance and the payment of premiums thereon.
- 6.5. Pay when due (except where contested in good faith and where adequate reserves have been set aside) all taxes, assessments and charges imposed upon it or its property or which it is required to withhold and pay over, and provide evidence of payment to Bank upon request;
- * 6.6. Give prompt notice to Bank of all litigation or proceedings affecting Borrower which, if adversely determined, may have a material adverse effect on the financial or business condition of Borrower; and, without limiting the foregoing, give notice of any claim asserted against Borrower for an amount exceeding \$
- 6.7. Pay all rent or other sums required by any lease or mortgage to which Borrower is a party as the same become due and payable, perform all Borrower's obligations as tenant or mortgagor thereunder, and keep any applicable lease(s) at all times in full force and effect;
- 6.8. If Borrower is a corporation, maintain its corporate existence in full force and comply with all laws and regulations applicable to Borrower in the application of its business;
- 6.9. Maintain all of its property and assets in good condition and repair;
- 6.10. Keep all of its patents, franchises, trademarks and trade names, if any, in full force and effect until their respective expiration dates;
- 6.11. Permit Bank and its representatives to inspect Borrower's property and its books and records and to make copies and extracts therefrom at all reasonable times;
- 6.12. Pay all premiums on the policies referred to in 2.2, 3.2(e) and 6.4 as and when they become due, and do all things necessary to maintain said policies in full force and effect;
- 6.13. Maintain management personnel of Borrower satisfactory to Bank, it being understood that management as of the execution hereof is satisfactory;
- 6.14. Notify Bank promptly of any change in the location of Borrower's place of business, of any change of Borrower's management, of the death or extended illness of any of the persons mentioned in Section 8 hereof, and of the establishment of any new and of the discontinuance of any existing place of business;
- 6.15. Cause any majority or wholly owned subsidiary of Borrower to comply with the provisions of Section 6 and 7 of this Agreement;
- 6.16. Deliver to Bank copies of all reports, if any, filed by Borrower with the Securities and Exchange Commission, its shareholders or prospective investors.

SECTION 7 - BORROWER'S NEGATIVE COVENANTS

So long as any indebtedness to Bank hereunder is outstanding and unpaid, Borrower will not, without the prior written consent of Bank:

- 7.1. Borrow from anyone except Bank, or other Lenders who enter into subordination agreements satisfactory to Bank;
- 7.2. Permit any of its assets, now owned or hereafter acquired, to be subject to any mortgage, pledge or other encumbrance except security interests in favor of Bank and liens for taxes not yet due;
- 7.3. Sell, assign or transfer any accounts, contracts and contract rights;
- * 7.4. Permit its "tangible net worth" (as defined in 12.1 herein) to be less than \$
- * 7.5. Permit its "working capital" (as defined in 12.1 herein) to be less than \$
- 7.6. Wind up its affairs, liquidate or dissolve, or enter into any merger, consolidation, acquisition, reorganization, or recapitalization, or dispose of all or substantially all of its assets, or reclassify its common stock;
- 7.7. Guarantee or otherwise become liable on the obligation of anyone else, except by endorsement of negotiable instruments for deposit or collection in the usual course of business;
- 7.8. Make any loan or investment, except investments in direct obligations of the United States of America;
- 7.9. Pay any dividend (other than dividends payable in shares of its own capital stock) or make any other payment on or to acquire its capital stock;
- * 7.10. Expend or become obligated to expend for fixed assets or for improvements to its plant or in excess of \$ _____ in any subsequent fiscal year, except as permitted in 6.1 herein.
- * 7.11. Dispose of any single asset which at the time of such disposition has a fair market value in excess of \$ _____
- 7.12. Permit any of Borrower's equipment to be removed from Borrower's place(s) of business mentioned in 5.4 hereof;
- 7.13. Permit any of the Collateral to be levied upon under any legal process or permit anything to be done that may impair the value of any of the Collateral;
- 7.14. Sell, lease, transfer or otherwise dispose of its assets, real or personal, regardless of the value thereof, other than in the ordinary course of its business, and for value received;
- 7.15. Permit any of its equipment to become affixed to real property or an accession to other property;
- 7.16. Sell or dispose of any of its property with the intention of taking back a lease on such property; or
- 7.17. Discontinue any substantial part of its business or change the nature of its business or change the legal form of its organization.

SECTION 8 - COVENANT AS TO MANAGEMENT

* Borrower further covenants that so long as any indebtedness to Bank hereunder remains outstanding and unpaid, the below listed individuals will hold the indicated titles or positions of Borrowers at rates of compensation no greater than indicated. Borrower will give Bank prior written notice of any proposed changes in the below listed management. No proposed change shall become effective without Bank's prior written approval.

<u>NAME</u>	<u>TITLE / POSITION</u>	<u>COMPENSATION</u>
i.)		
ii.)		
iii.)		

SECTION 9 - EVENTS OF DEFAULT

Each of the following is an Event of Default hereunder:

- 9.1. Borrower's failure to pay as and when due any indebtedness to Bank, whether or not arising hereunder;
- 9.2. Borrower's failure to perform as and when required, or observe any covenant in this Agreement, the Note, or in any document pertaining to the Collateral;
- 9.3. Borrower's suspension or discontinuance of its business operations;

- 9.4. Any financial statement of any representation or warranty of Borrower proves materially incorrect;
- 9.5. Borrower's failure to discharge when due any obligation for the payment of borrowed money to any lender;
- 9.6. Any proceeding under the Bankruptcy Act or under any law of the United States or of any state relating to insolvency, receivership, reorganization, or debt adjustment is instituted by Borrower or any guarantor or surety of the Loan, or if such proceeding is instituted against Borrower or any such guarantor or surety and is consented to by the respondent or remains undismissed for sixty days, or if Borrower or any such guarantor or surety is adjudicated a bankrupt, or a trustee or receiver is appointed for any substantial part of its property, or if Borrower or any such guarantor or surety makes an assignment for the benefit of creditors, or becomes insolvent.
- 9.7. Any judgment for the payment of money is entered against Borrower and the same is not satisfied within 30 days from the date of entry.

SECTION 10 - REMEDIES OF BANK

Upon the occurrence of any Event of Default, Bank may, in its sole discretion, take any action stated herein as well as any other action allowed by law. No remedy of Bank shall be exhausted by the initial exercise thereof, but rather Bank may exercise all remedies from time to time and as often as Bank in its judgment may deem desirable.

- 10.1. Refuse to make any further advances hereunder;
- 10.2. Immediately declare the Loan and any other liabilities and obligations of Borrower to it to be due and payable and the same shall thereupon become due and payable, without presentation, demand, or further action of any kind;
- 10.3. Surrender the policies, if any, listed in 2.2 for their cash surrender value;
- 10.4. Exercise all the rights of a secured party under the Uniform Commercial Code or any other applicable law or agreement with respect to all Collateral then held for Borrower's liabilities including, without limitation, the following:
- a. If 2.1(d) is checked:
1. to notify account debtors obligated to Borrower on any account or contract receivable or other collateral to make payments thereon directly to the Bank;
 2. to demand, collect, enforce, and take control of such payment and of all proceeds of Collateral;
 3. to compromise or discharge or extend the time of payment thereof or to grant other indulgences with respect thereto;
 4. to commence, prosecute, settle, discontinue, defend or otherwise participate in any claim in any tribunal relating to any thereof;
 5. to receive, open, and dispose of mail or other matters delivered or addressed to Borrower with respect to Collateral and proceeds thereof and to notify Post Office authorities to change the address for delivery of such mail to such address as Bank may designate;
- b. to sign Bank's name on behalf of Borrower in execution, endorsement, assignment, delivery or receipt of any paper with respect to Collateral and proceeds thereof;
- c. to establish at any time a non-interest bearing cash collateral account into which shall be deposited all payments towards payment of obligations due from Borrower to Bank or release them to the Borrower, as the Bank may elect;
- d. generally, to enforce, compromise, assign, make any agreement with respect to, and to take possession of, handle, store, insure, ship or otherwise deal with, realize on, or prepare for disposition of or dispose of, any Collateral as absolute owner thereof for all purposes;
- e. to sell or otherwise dispose of any of the Collateral. Borrower agrees that 5 days prior notice of such sale or disposition shall constitute reasonable notice to Borrower under the Uniform Commercial Code;
- f. to require Borrower to assemble the Collateral and make it available to Bank at a place to be designated by Bank; and
- 10.5. Set-off any monies deposited in accounts of any nature maintained in and with Bank by Borrower.

SECTION 11 - WARRANT OF ATTORNEY

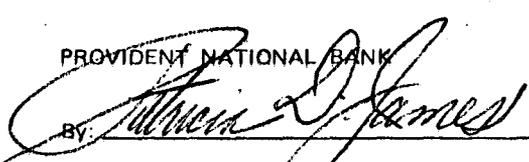
Borrower hereby authorizes and empowers any attorney of any court of record upon the occurrence of any Event of Default to appear for and confess judgment against Borrower (a) in any action of replevin instituted by Bank to obtain possession of any of the Collateral, and/or (b) for such sums as shall have become due under the Note, this Agreement and all other liabilities of Borrower to Bank, in either case with or without declaration, with costs of suit, without stay of execution and with five percent (5%) added for collection fees. Borrower also waives the right of inquisition on any real estate levied on, voluntarily condemns the same, authorizes the Prothonotary or Clerk to enter upon the Writ of Execution said voluntary condemnation and agrees that said real estate may be sold on a Writ of Execution, and also waives and releases all relief from any and all appraisalment, stay or exemption law of any state now in force or hereafter enacted. Borrower also releases all error in such proceedings. If a copy of this Agreement, verified by affidavit of Bank or someone on behalf of Bank, shall have been filed in such action, it shall not be necessary to file the original Agreement as a warrant of attorney. The authority and power to appear for and enter judgment against Borrower shall not be exhausted by the initial exercise thereof, and the same may be exercised from time to time and as often as Bank shall deem necessary or desirable and this Agreement shall be a sufficient warrant.

SECTION 12 - MISCELLANEOUS

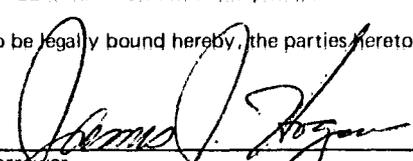
- 12.1. DEFINITIONS. For purposes of this Agreement: (a) "tangible net worth" shall mean the excess of tangible assets over liabilities, each determined in accordance with generally accepted accounting principles consistently applied; and (b) "working capital" shall mean the excess of current assets over current liabilities, each determined in accordance with generally accepted accounting principles consistently applied.
- 12.2. SURVIVAL OF REPRESENTATIONS. All covenants, agreements, representations and warranties made herein and in documents delivered pursuant hereto shall survive the making by Bank of the Loan and the execution and delivery of the Note and shall continue in full force and effect so long as any indebtedness of Borrower to Bank is outstanding.
- 12.3. COLLATERAL. All property of any kind of Borrower, including but not limited to the Collateral, now or hereafter held by Bank shall stand as general, continuing collateral security for all obligations and liabilities of Borrower to Bank and may be retained by Bank until all such obligations and liabilities have been satisfied.
- 12.4. FURTHER ASSURANCE. Borrower agrees to execute and deliver to Bank such additional instruments as Bank may reasonably request from time to time to effectuate the purposes of this Agreement and to perfect and continue Bank's security interest in the Collateral.
- 12.5. WAIVER BY BANK. Bank shall not be deemed by any act of omission or commission to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by Bank and then only to the extent specifically set forth in such writing. A waiver on one event shall not be construed as continuing or as a bar to or waiver of any right or remedy in a subsequent event.
- 12.6. EXPENSES OF BANK
- a. Borrower will pay all of Bank's expenses (including the reasonable fees and disbursements of legal counsel for Bank) in connection with the transactions contemplated hereby, the preparation of documents pertaining to such transactions, the enforcement of this Agreement and the Note and in the exercise by Bank of any of its rights hereunder, under the Note, or under any other document given to Bank in connection with the transactions contemplated hereby.
- b. Borrower agrees that Bank may, without notice to Borrower (i) obtain insurance covering any of the Collateral if Borrower fails to do so and (iii) discharge taxes, liens, security interests or other encumbrances at any time levied or placed on any of the Collateral and pay for the maintenance and preservation of the Collateral. Borrower will reimburse Bank, on demand, and with interest at the rate provided for in 1.3, for any such payment made or expense incurred. The Collateral shall stand as security for reimbursement of all Bank's expenses under this paragraph.
- 12.7. NOTICES. Any notice required herein to be sent to Borrower may be mailed by first class mail to Borrower at the address specified in Section 5.1 hereof, or such other address as Borrower may hereafter designate to Bank in writing.
- 12.8. SEVERABILITY. If any provision hereof is found by a court of competent jurisdiction to be unenforceable, the parties hereto intend all other provisions to be absolutely unaffected.
- 12.9. DESCRIPTIVE HEADINGS. The descriptive headings of the sections hereof are for convenience of reference only and in no way affect this Agreement.
- 12.10. COMPLETE AGREEMENT. Together with the Note and documents delivered pursuant hereto, this Agreement states the complete agreement between the parties. Waivers or modifications hereof must be in writing signed by the party to be charged with the effect thereof.
- 12.11. GOVERNING LAW. This Agreement and the Note have been executed and delivered in the Commonwealth of Pennsylvania and shall be construed in accordance with and governed by the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties hereto have executed this Agreement as of the day and year first above written.

PROVIDENT NATIONAL BANK

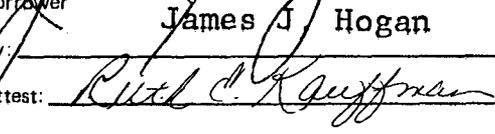
BY: 

Title: Banking Officer

X 

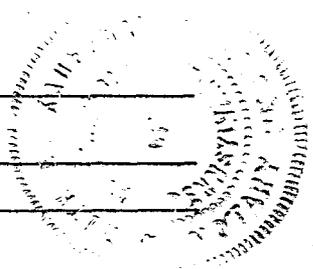
Borrower

James J. Hogan

BY: 

Attest:

Corporate Seal


RUTH E. KAUFFMAN
Notary Public, Phila., Phila. Co.
My Commission Expires Nov. 21, 1983