

813
NEW NUMBER

LAW OFFICES

ALVORD AND ALVORD

200 WORLD CENTER BUILDING

918 SIXTEENTH STREET, N.W.

WASHINGTON, D.C.

20006-2973

OF COUNSEL
JESS LARSON
JOHN L. INGOLDSBY
URBAN A. LESTER

CABLE ADDRESS
"ALVORD"

TELEPHONE
AREA CODE 202
393-2266

SEP 14 1988 - 2 44 PM

INTERSTATE COMMERCE COMMISSION TELEX
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September 14, 1988 8 258A030

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

ROBERT W. ALVORD*
CARL C. DAVIS*
CHARLES T. KAPPLER
JOHN H. DOYLE*
GEORGE JOHN KETO*
MILTON C. GRACE*
JAMES C. MARTIN, JR.*

*NOT A MEMBER OF D.C. BAR
*ALSO ADMITTED IN NEW YORK
*ALSO ADMITTED IN OHIO
*ALSO ADMITTED IN MARYLAND

No. 15817
Date SEP 14 1988
Fee \$13.00
Washington, D. C.

Ms. Noretta R. McGee
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Ms. McGee:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two copies of a Security Agreement dated September 8, 1988, a primary document as defined in the Commission's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Secured Party: Meridian Bank
Five Penn Central Plaza
Philadelphia, Pennsylvania 10103
Borrower: Radnor Associates, Ltd.
2 Radnor Corporation Center
100 Matsonford Road
Radnor, Pennsylvania 19087

RECEIVED
SEP 14 1988
MOTION PICTURE PATENT OFFICE

A description of the railroad equipment covered by the enclosed document is set forth in Schedule A attached hereto and made a part hereof.

Also enclosed is a check in the amount of \$13 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return a stamped copy of the enclosed document to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006.

CT. Kappler

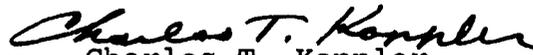
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Ms. Noreta R. McGee
Secretary
Interstate Commerce Commission
September 14, 1988
Page Two

A short summary of the enclosed primary document to
appear in the Commission's Index is:

Security Agreement dated September 8, 1988 between
Meridian Bank, Secured Party, and Radnor Associates,
Ltd., Borrower, covering 97 tri-level auto racks.

Very truly yours,


Charles T. Kappler

Enclosures

SCHEDULE A

Ninety-seven fully enclosed tri-level auto racks presently on lease to the Soo Line Railroad Company comprised of:

Models AB15153G including Whitehead & Kales radial end doors, 60-Ratchet Lo Ty's (A-234-786), 60-Idler Assemblies (A-234-760) and 60-Chain Assemblies (C-231-465).

Specifications ASK 6580 including Whitehead & Kales radial end doors, 60-Ratchet Lo Ty's (A-234-786), 60-Idler Assemblies (A-234-760) and 60-Chain Assemblies (C-231-465).

The serial numbers for the ninety-seven (97) tri-level auto racks are as follows:

<u>Serial No.</u>	<u>Serial No.</u>	<u>Serial No.</u>	<u>Serial No.</u>
58733-34	58825-26		58877-78
58731-32	58829-30	58765-66	58875-76
58725-26	58827-28	58755-56	58865-66
58717-18	58819-20	58775-76	58873-74
58719-20	58813-14	58769-70	58887-88
58721-22	58811-12	58771-72	58895-96
58723-24	58821-22	58773-74	58891-92
58709-10	58817-18	58781-82	58889-90
58711-12	58823-24	58783-84	58885-86
58715-16	58835-36	58791-92	58893-94
58741-42	58837-38	58789-90	58871-72
58743-44	58831-32	58787-88	58867-68
58735-36	58833-34	58779-80	58869-70
58729-30	58841-42	58777-78	58879-80
58727-28	58839-40	58795-96	58881-82
58745-46	58847-48	58797-98	58901-02
58739-40	58843-44	58799-800	58899-900
58737-38	58845-46	58793-94	58897-98
58751-52	58853-54	58801-02	58903-04
58749-50	58861-62	58815-16	58905-06
58759-60	58859-60	58809-10	58907-08
58753-54	58855-56	58805-06	58747-48
58757-58	58863-64	58807-08	
58761-62	58849-50	58803-04	
58767-68	58851-52		
58763-64	58857-58		

52
23

Interstate Commerce Commission
Washington, D.C. 20423

9/14/88

OFFICE OF THE SECRETARY

Charles T. Kappler
Alvord & Alvord
918 16th St. N.W.
Washington, D.C. 20006

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 9/14/88 at 2:50pm, and assigned recordation number(s). 15817

Sincerely yours,

Narta L. McGee

Secretary

Enclosure(s)

Date of this Security Agreement: September 8, 1988

SCHEDULE

Part 1: Borrower's name (last name first, if individuals) and filing address (street, municipality, county, state, zip):

Radnor Associates, Ltd.
2 Radnor Corporation Center
Suite 114
100 Matsonford Road, Radnor, Penna. 19087
Name of legal owner of Borrower's filing address:

15817
REGISTRATION NO. _____ FILED 1988

SEP 14 1988 2 20 PM

INTERSTATE COMMERCE COMMISSION

Part 2: Borrower's Status:

- partnership
- corporation
- sole proprietorship
- unincorporated association
- husband/wife business combination
- consumer

Part 3: Other locations (i.e. addresses) of Collateral in addition to Borrower's address in Part 1 (insert name of legal owner of each location if other than Borrower) (if no other locations, type "None"):

The Collateral is leased by the Borrower to the Soo Line Railroad Company and may be at various locations at different points in time.

Part 4: Use of Collateral: business operations (non-farming) farming operations personal, household, family

Part 5: Liabilities WILL be incurred, in whole or in part, for the purpose of enabling the Borrower to purchase, or acquire rights in or use of, any of the Collateral. WILL NOT

Part 6: "Collateral," as used in this Security Agreement, refers to the types of property initialed by the Borrower and checked below:

ACCOUNTS: Meaning, all of Borrower's present and future accounts, contracts, chattel paper, instruments and documents, and all other rights to the payment of money, including but not limited to any Specific Property described below, whether or not yet earned, for services rendered or goods sold, consigned, leased or furnished by the Borrower, together with all general intangibles, guaranties and securities relating to any of the foregoing, and all returned, reclaimed or repossessed goods the sale, consignment, lease or other furnishing of which shall have given or may give rise to any of the foregoing, including, without limitation, the right of stoppage in transit, but only as all of the foregoing relate to or arise out of the property or rights referenced in the category "Specific Property" as set forth below.

INVENTORY: Meaning, all of Borrower's present and future inventory (including but not limited to goods held for sale or lease or furnished or to be furnished under contracts of service, raw materials, work in process, goods used or consumed in business, or any Specific Property described below), whether owned, consigned or held on consignment, together with all merchandise, component materials, supplies, incidentals, office supplies, packaging materials and other goods or items used or to be used in connection with Inventory, all present and future documents, instruments and general intangibles (including but not limited to manufacturing and processing rights, patents, patent rights, licenses, trademarks, trade names, trade secrets and copyrights) pertaining to or utilized in the consumption, sale, consignment, lease, promotion, shipment or storage of Inventory, and all returned, reclaimed or repossessed goods sold, consigned, leased or otherwise furnished by the Borrower.

EQUIPMENT: Meaning, all of Borrower's present and future machinery, motor vehicles, mobile or motorized equipment or machinery, office furniture, office equipment, fixtures, hand tools, power tools, dies, jigs, molds, blueprints, renderings, technical data, technical processes and prototypes and other equipment, machines, machinery or articles of tangible personal property of every type, including but not limited to any Specific Property described below, and all parts, substitutions, accretions, accessions, attachments, accessories, additions, components and replacements of Equipment, together with all documents, instruments and general intangibles relating to Equipment, including but not limited to trademarks, trade names, trade styles, copyrights, brands, patents, patent rights, licenses, trade secrets, and all manuals of operation, maintenance or repair, utilized in connection with Equipment.

CROPS: Meaning, all of Borrower's crops, including but not limited to any Specific Property described below, now or hereafter planted, growing, stored or being processed on or within the real property described immediately below, all present and future products thereof, all present and future seed, fertilizer and supplies, and all present and future inventory, instruments, documents and general intangibles pertaining to Crops (including but not limited to federal farm subsidies).

The real property where the crops are planted or to be planted, or growing or to be grown is (include county):

and the name of the legal owner of the real estate, if other than the Borrower, is:

LIVESTOCK: Meaning, all of Borrower's present and future livestock, whether acquired by purchase or natural increase, and the offspring thereof (including without limitation offspring in gestation), including but not limited to any Specific Property described below, together with all present and future products of Livestock, feed, supplies, inventory, instruments, documents and general intangibles pertaining to Livestock (including but not limited to federal farm subsidies and certificates of ownership, origin or pedigree).

FARM EQUIPMENT: Meaning, all of Borrower's present and future farm or farming equipment, machines, machinery, motor vehicles, motorized or mobile machinery and equipment, fixtures or other goods affixed to or installed or used in or upon any real estate described in Part 1 or Part 3 of this Schedule, hand tools, power tools, implements, supplies and all other goods and types of goods of every type and nature, without limitation, used in connection with the Borrower's farming operations, including but not limited to any Specific Property described below, together with all parts, substitutions, accretions, accessions, attachments, accessories, additions, components and replacements of Farm Equipment, all manuals of operation, maintenance or repair for Farm Equipment, and all documents, instruments and general intangibles pertaining to Farm Equipment.

CONSUMER GOODS: Meaning, the following specific property, together with any documents, instruments or general intangibles and all manuals of operation, repair or maintenance relating to the following:

SPECIFIC PROPERTY: In addition to any types of property initialed and checked above, the Collateral includes, without limitation, the following Specific Property (give all details for exact identification; if space is not sufficient, insert "SEE ATTACHED ADDENDUM" and describe Collateral on "Addendum"), together with any documents, instruments or general intangibles relating to the following Specific Property:

All Borrower's right, title and interest in and to 97 tri-level auto racks purchased of even date from Equilease Corporation, together with all of the Borrower's right, title and interest relating to or arising under any lease of the foregoing tri-level auto racks (whether such lease is oral or written), together with all proceeds and products of the foregoing. The 97 tri-level auto racks in which the Borrower is granting a security interest to the Bank are more fully identified on the attached Addendum.

Handwritten: * relating to the Collateral

1. GRANT OF SECURITY INTEREST. In consideration of, and as security for, the Liabilities of the Borrower to the Bank described below and intending to be legally bound, the Borrower grants the Bank a security interest in the Collateral, together with all present and future documents, general intangibles and instruments of every kind and nature whatsoever, all present and future products of Collateral and all present and future Proceeds of Collateral (including but not limited to all leases, rents, issues, profits, credits, rebates, refunds, increases, replacements of and additions and accessions to the Collateral and all cash, non-cash and insurance proceeds). This right to Proceeds does not, and shall not be interpreted to, constitute authorization or consent by the Bank to any disposition of any Collateral. This Security Agreement and the security interest granted herein shall stand as general and continuing security for all Liabilities and may be retained by the Bank until all Liabilities have been satisfied in full; provided, however, that this Security Agreement shall not be rendered void by the fact that no Liabilities or commitment by the Bank to make advances to the Borrower exists as of any particular date, but shall continue in full force and effect until the filing of a termination statement signed by the Bank with respect to all of the Collateral.

As additional security for the Liabilities, the Borrower conveys, assigns and grants a security interest to the Bank in and to all present and future files, books, ledgers, records, bills, invoices, receipts, deeds, certificates or documents of ownership, warranties, bills of sale and all other data and data storage systems and media pertaining to any of the Collateral.

2. LIABILITIES. The Collateral secures, and will secure, all liabilities of Borrower to Bank (including any past, present or future advances, readvances, substitutions, extensions, renewals, interest, late charges, penalties and fees of any and all types) whether primary, secondary, absolute or contingent, direct or indirect, joint, several or independent, voluntary or involuntary, (including overdrafts), now or hereafter existing, due or to become due, or held or to be held by, the Bank for its own account or as agent for another or others, whether created directly or acquired by negotiation, assignment or otherwise, and all instruments and documents evidencing any of the above (collectively herein, the "Liabilities").

3. FUTURE ADVANCES. The Liabilities secured hereby include all future advances made at any time or times to or for the benefit of the Borrower, whether obligatory or optional, including all costs, expenses, court costs and reasonable attorneys' fees incurred in the collection of the Liabilities and/or the Collateral or the disposition of the Collateral, and any advances made at any time or times for the payment of taxes or insurance or the maintenance or repair of the Collateral, or for the establishment, maintenance or enforcement of the Bank's security interest therein.

4. ADDITIONAL SECURITY. As additional Collateral to secure the Liabilities, the Borrower grants to the Bank a security interest in all of the Borrower's present and future deposits or other monies due from Bank, instruments, documents, policies and certificates of insurance, securities, goods, accounts receivable, choses in action, chattel paper, currency, property and the proceeds thereof, owned by the Borrower or in which it has an interest, now or hereafter in the possession or control of the Bank or in transit by mail or carrier to or from the Bank or in the possession of any other person acting in the Bank's behalf, without regard to whether the Bank received the same in pledge, for safekeeping, as agent for collection or transmission or otherwise, or whether the Bank has conditionally released the same. The property described in this paragraph 4 shall constitute part of the Collateral for all purposes under this Security Agreement.

5. OWNERSHIP; OTHER LIENS. The Borrower represents and warrants that it is, or as to Collateral to be acquired after the date hereof will be, the sole owner of the Collateral, that this Security Agreement creates a first lien in and to all Collateral, and that there are and will be no other liens, security interests, encumbrances or adverse claims by any person to any of the Collateral except as previously disclosed in writing acknowledged by the Bank. The Borrower covenants and agrees to keep the Collateral free from, defend it against, discharge and immediately notify the Bank in writing of, any and all other liens, security interests or encumbrances, prior assignments, claims, set-offs or demands of all persons at any time claiming any Collateral or any interest therein.

6. PURCHASE MONEY LOAN. The Borrower covenants and agrees that any Liabilities created for the purpose of enabling the Borrower to acquire rights in or use of any Collateral will be used solely for such purpose and for no other purpose, and authorizes the Bank to disburse the proceeds of such purchase money loan directly to the seller.

7. LOCATION; USE OF COLLATERAL. The Borrower represents and warrants that:

(a) Collateral (other than Crops) is being and will be kept at the Borrower's address set forth in Part 1 of the Schedule, or at the other location(s) indicated in Part 3 of the Schedule, and covenants and agrees not to remove the Collateral therefrom without the Bank's prior written consent;

(b) Collateral consisting of Crops is growing or will be planted, grown or stored only on or within the real estate described in Part 6 of the Schedule relating to Crops, and covenants and agrees not to plant, grow or store Crops on or within any other real property without the Bank's prior written consent;

(c) Collateral is being used and will be used exclusively for the purpose(s) indicated in Part 4 of the Schedule, and covenants and agrees not to change such use without the Bank's prior written consent; and

(d) the Borrower is the record owner of the real property indicated in Parts 1, 3 and 6 of the Schedule, unless indicated to the contrary therein.

8. BORROWER'S IDENTITY, ADDRESS(ES). The Borrower represents and warrants that its official name, if a corporation, partnership or unincorporated association, is accurately and completely set forth in Part 1 of the Schedule, and covenants and agrees that it will not change its name, or its status indicated in Part 2 of the Schedule, without the Bank's prior written consent.

The Borrower represents and warrants that the address set forth in Part 1 of the Schedule is its principal business address, if the Borrower is engaged in business, or its residence if the Borrower is not engaged in business, and covenants and agrees that it will not change such address or the other locations set forth in Part 3 of the Schedule, or acquire additional addresses, without at least 30 days' prior written notice to the Bank setting forth the effective date of such change and such new address.

9. MAINTENANCE, INSURANCE OF COLLATERAL. Borrower, at its own expense, covenants and agrees to: (a) properly maintain and care for the Collateral and protect, produce, develop, grow and care for all Crops and Livestock covered by this Security Agreement, all in accordance with the highest standards customary for businesses or farming operations similar to Borrower's if Borrower uses the Collateral in business and/or farming operations; (b) maintain such insurance covering the Collateral against fire, theft, vandalism and such other risks or hazards as Bank may require in such amounts and with such insurance companies as are satisfactory to the Bank, which insurance shall protect the Bank's interest in the Collateral as secured lender under separate endorsement or clause not subject to any defenses which such insurance company may have against the Borrower; (c) deliver to the Bank, on demand, the contract(s) of insurance or furnish other proof of such insurance to the Bank; and (d) comply fully with, and refrain from any use of the Collateral in violation of, any requirements of any insurer of the Collateral.

In the event of loss, Bank, at its option, may (i) retain and apply all or any part of the insurance proceeds to reduce, in such order and amounts as the Bank may elect, the unpaid balance of the Liabilities, or (ii) disburse all or any part of such insurance proceeds to or for the benefit of the Borrower for the purpose of repairing or replacing the Collateral after receiving proof satisfactory to the Bank of such repair or replacement, in either case without waiving or impairing the Liabilities or any other provision of this Security Agreement. Borrower assigns to the Bank 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 to the Bank any amounts so due, and Borrower appoints the Bank its attorney-in-fact to endorse any draft or check which may be payable to Borrower in order to collect any return or unearned premiums or the proceeds of such insurance.

10. TAXES; COMPLIANCE. Borrower covenants and agrees to pay, on or before the due date thereof, all federal, state and local taxes, assessments and other governmental charges of every nature which may be levied or assessed against the Collateral, and to comply fully with, and refrain from any use of the Collateral in violation of, any applicable statutes, regulations or ordinances.

11. RIGHT TO REMEDY CERTAIN DEFAULTS. In the event the Borrower fails to maintain the Collateral, or pay any Internal Revenue stamps or federal, state or local taxes, assessments or other governmental charges or claims, or fails to maintain insurance on the Collateral and pay all premiums for such insurance, or fails to make any necessary repairs or permits waste, the Bank, at its election and without notice or demand to the Borrower, shall have the right, but not the obligation, to make any payment or expenditure with the right of subrogation thereunder, including but not limited to purchasing tender's single interest insurance covering the Bank's interest in the Collateral, and to take any action which the Borrower should have taken, or which the Bank deems advisable in order to protect its security interests in the Collateral or its rights under this Security Agreement, and may appear in any action or proceeding with respect to any of the foregoing and retain counsel therein, without prejudice to any of the Bank's rights or remedies available under this Security Agreement or otherwise, at law or in equity. All such sums, as well as costs, advanced by the Bank pursuant to this Security Agreement, shall be secured by this Security Agreement, and shall bear interest at the highest rate payable on any of the Liabilities from the date of payment by the Bank until paid in full.

12. DISPOSITION; PROCEEDS. Except as, and only to the extent, expressly permitted in this paragraph 12 or in paragraph 14, Borrower will not sell, assign, lease or otherwise dispose of, or attempt or contract to sell, assign, lease or otherwise dispose of, any Collateral or any interest, right or privilege therein.

The Borrower shall have the right, until the Bank mails or otherwise sends written revocation of such right to the Borrower, to use Inventory and/or Crops, or any products thereof, in its regular course of its business or farming operations, as the case may be, and to sell or consume such Inventory or Crops in the ordinary course of its business or farming operations as heretofore conducted by the Borrower and disclosed to the Bank.

The Borrower covenants and agrees to deliver immediately to the Bank, or such other person as the Bank may designate, any instrument, document or chattel paper arising out of or in connection with any Collateral. The Borrower further covenants and agrees not to use cash Proceeds to purchase or otherwise acquire any interest whatsoever in any property not covered by this Security Agreement without the Bank's prior written consent.

13. NOTIFICATION OF ADVERSE EVENTS. Borrower immediately will notify the Bank in writing of any occurrence, event, circumstance or condition which affects or will affect the Collateral or the value thereof, the Borrower's or the Bank's ability to dispose of the Collateral or the Bank's rights or remedies with regard thereto, including but not limited to the issuance or levy of any legal process against the Collateral or the adoption of any marketing order, arrangement or procedure affecting the Collateral, whether governmental or otherwise.

14. **COLLECTION OF ACCOUNTS, ETC.** Unless the Bank exercises its right to collect Accounts or Chattel Paper, Borrower covenants and agrees that it will collect all Accounts and Chattel Paper promptly and diligently and will keep accurate books and records thereof and all collections thereof.

The Borrower covenants and agrees that it will not acquire or enter into any contracts giving or to give rise to any Accounts from the United States or any department, agency or instrumentality thereof without the Bank's prior written consent, and will execute any notices, agreements, assignments or other documents, and take any steps required by the Bank, in order that all monies due and to become due under such contracts shall be fully assigned to the Bank and notice thereof given to the government under the Federal Assignment of Claims Act.

15. **BANK'S RIGHTS.**

(a) Borrower covenants and agrees that Bank may, at its option, at Borrower's expense pursuant to paragraph 21 hereof, at any time and from time to time whether or not a Default has occurred:

(1) require Borrower to segregate all cash Proceeds so that they may be identified readily, and deliver the same to the Bank at such time or times and in such manner and form as the Bank may direct;

(2) require Borrower to deliver to the Bank, at such time or times and in such manner and form as the Bank may direct, records, schedules and other documentation and data sufficient to show the status, condition, value or location of, or any other information pertaining to, the Collateral;

(3) verify the Collateral, inspect the Borrower's books and records and make copies thereof or extracts therefrom, and require Borrower to furnish such witnesses as may be necessary to establish legal proof of the Collateral or such records;

(4) require, as a condition to its consent to any disposition of Collateral requiring Bank's consent, that Borrower pay or deliver or cause to be paid or delivered directly to the Bank, or such other person as the Bank may designate, the Proceeds of such disposition, agree to increase the rate of interest payable in respect of any of the Liabilities, or comply with any other requirement of the Bank;

(5) notify debtors or obligors on any Accounts or Chattel Paper, or any buyers or lessees of any of the Collateral or any other persons, of the Bank's interest in the Collateral and require such persons to deliver all Proceeds to the Bank, or such other person as the Bank may designate, at such time or times and in such manner and form as the Bank may direct; and in connection therewith Borrower irrevocably authorizes and appoints Bank its attorney-in-fact, with full power of substitution, to endorse or sign Borrower's name on all collections, checks, notes, drafts, receipts or other instruments or documents, take possession of and open the Borrower's mail and remove Proceeds therefrom, and such account debtors, buyers or lessees may accept the receipt of the Bank in such circumstances as a full release and acquittance for any amount so paid;

(6) at reasonable times enter upon any property where any Collateral is located to examine the Collateral, such property and any buildings or improvements thereon, and use Borrower's equipment, machinery, office equipment and other facilities if Bank deems such use necessary or advisable to protect, preserve, maintain, process, develop or harvest any of the Collateral;

(7) require Borrower promptly to harvest and/or market any Livestock or Crops if, in the Bank's opinion, any delay or withholding of the same from harvesting and/or sale may jeopardize Borrower's ability to obtain a price sufficient to satisfy the Liabilities or any portion thereof;

(8) prohibit Borrower from selling any Livestock or Crops other than for cash;

(9) prohibit Borrower from attaching any Collateral to any land or building or other improvement thereon in any manner which might cause such Collateral to become a part thereof, and/or require Borrower to obtain from any owner, encumbrancer or other person having an interest in the property where any Collateral is located, written consent to Bank's removal of the Collateral therefrom, without liability on the part of the Bank to such owner, encumbrancer or other person, or require Borrower to obtain from any such owner, encumbrancer or other person such waivers of any interest in the Collateral as the Bank may require;

(10) place or require Borrower to place on any instrument, document or Chattel Paper, or upon Borrower's books, records, documents or other data relating to Accounts or general intangibles, a notation or legend indicating Bank's security interest therein;

(11) in the Borrower's and/or the Bank's name (as the Bank in its sole discretion may determine) demand, collect, receive, and receipt for, compound, compromise, settle and give acquittance for, and prosecute and discontinue or dismiss, with or without prejudice, any suits or proceedings respecting any of the Collateral;

(12) prohibit the Borrower from granting to any person any rebate, refund, allowance or credit, or accepting from any person any return of any Collateral, without the Bank's prior written consent, which consent may be conditioned upon any requirement for payment or additional collateral from the Borrower as the Bank, in its sole discretion, may determine;

(13) secure credit in the name of the Borrower or in the name of the Bank, or pay, settle or otherwise discharge any unpaid bills or charges for goods delivered or services rendered to or for the benefit of the Borrower, if the Bank reasonably determines, in its sole discretion, that such action is necessary or advisable to protect, maintain or preserve the Collateral or the Bank's security interest therein;

(14) furnish to the Bank, on demand or as soon as possible thereafter, such additional property as Collateral as the Bank may from time to time require; or

(15) take any action which the Bank may deem necessary or desirable in order to realize on any of the Collateral, including without limitation the power to perform any contract or to endorse in the name of the Borrower any checks, notes, drafts, receipts or other instruments or documents received in payment of or on account of, or constituting, any of the Collateral, and Borrower irrevocably appoints the Bank its attorney-in-fact with full power of substitution for all or any such acts or purposes.

(b) The foregoing rights are cumulative and may be exercised by the Bank singly or in any combination at any time and from time to time, as often as the Bank deems necessary or advisable.

16. **OTHER DOCUMENTS, ACTS.** Borrower covenants and agrees that it will, at any time or times and from time to time, at its own expense, execute and deliver or cause to be executed and delivered such security agreements, certificates, certificates of title, pledges, assignments, financing statements, continuation financing statements, amendments, acknowledgments and other documents, and will perform or cause to be performed such other acts, as the Bank may request in order to establish, preserve or maintain a valid and continuously perfected security interest in, or to determine the priority of, or terminate or enforce the Bank's security interest in, the Collateral, and pay all costs and expenses incurred in connection therewith. To the extent legally permissible, Borrower irrevocably authorizes and appoints the Bank as its attorney-in-fact, with full power of substitution, to execute on Borrower's behalf and file at Borrower's expense a financing statement or statements, or any amendment or amendments thereto, in those public offices deemed necessary or appropriate by the Bank to establish, maintain and protect a continuously perfected security interest in the Collateral. Borrower will reimburse the Bank on demand for any sums advanced by the Bank for any of the purposes described herein. The amount of such advance(s) shall bear interest at 2% per annum over the highest rate then payable on any of the Liabilities from the date thereof and both the amount of such advance and such interest shall constitute part of the Liabilities secured hereby.

17. **DEFAULT.** The occurrence of any one or more of the following shall constitute a Default under this Security Agreement:

(a) non-payment of any of the Liabilities, or any portion thereof, when and in the manner due, whether by acceleration or otherwise;

(b) failure by the Borrower to observe or perform any covenant, agreement, condition or term of this Security Agreement;

(c) breach by the Borrower or any other Obligor (which term shall refer to any maker, co-maker, endorser, guarantor or surety of, or other person obligated under any statute for, any of the Liabilities) of any obligation or duty to the Bank;

(d) any representation or warranty in any financial or other statement, schedule, certificate or other document of the Borrower or any other Obligor delivered to the Bank by or on behalf of the Borrower or any other Obligor shall prove to be false, misleading or incomplete in any material respect;

(e) a material adverse change occurs in the financial condition of the Borrower or any other Obligor which is unacceptable to the Bank in its sole discretion from the condition most recently disclosed to the Bank in any manner;

(f) the Borrower or other Obligor dies, dissolves, liquidates, merges, reorganizes or ceases to conduct operations, or prepares or attempts to do any of the foregoing;

(g) a trustee or receiver is appointed for the Borrower or any other Obligor or for all or a substantial part of its or their property in any involuntary proceeding, or any court has taken jurisdiction of all or any substantial part of the property of the Borrower or other Obligor in any involuntary proceeding, or the Borrower or any other Obligor files a petition or answer not denying jurisdiction in bankruptcy or under any similar law, state or federal, now or hereafter existing, or such a petition is filed against the Borrower or any other Obligor, or the Borrower or other Obligor becomes insolvent, howsoever evidenced, or makes an assignment for the benefit of creditors or admits in writing its or their inability to pay its or their debts generally as they become due, or fails within 60 days to pay or bond or otherwise discharge any judgment or attachment which is unstayed on appeal, or if the Borrower or any other Obligor advertises a "going out of business" or liquidation sale, or holds or permits such a sale;

(h) the Borrower or any other Obligor expresses an intent to terminate or revoke responsibility for any of the Liabilities, or defaults under any other note, agreement, lease, indenture, mortgage or obligation incurred pursuant thereto, or a judgment is entered against the Borrower or any other Obligor evidencing either singly or in the aggregate a material obligation, the effect of which accelerates or entitles the holder thereof to accelerate any maturity thereof or results in the forfeiture by the Borrower or any other Obligor of its rights under any such note, agreement, lease, indenture or mortgage;

(i) any property of the Borrower or any other Obligor becomes the subject of any attachment, garnishment, levy or lien (unless expressly permitted in writing signed by the Bank);

(j) any substantial part of the property of the Borrower or any other Obligor is taken or condemned by any governmental authority;

(k) the Borrower or any other Obligor assigns or otherwise transfers, or attempts to assign or transfer, any of its right, title and interest in any of the Collateral without the prior written consent of the Bank;

(l) the Borrower or any other Obligor fails to furnish financial or other information as the Bank may reasonably request;

Bank in its sole discretion; or

(n) the Bank, in the reasonable and good faith exercise of its sole discretion deems itself or the Collateral insecure for any reason whatsoever.

18. REMEDIES.

(a) Upon the occurrence of one or more Defaults, the Bank may exercise any one or more of the following remedies, which are cumulative and may be exercised singly or in any combination at any time and from time to time as long as any Default continues, without notice or demand to the Borrower or any other Obligor except as expressly required under this Security Agreement or any applicable provision of law which cannot be waived prior to Default:

- (1) declare all or any part of the Liabilities, together with costs of collection, including attorneys' fees of 15% of the unpaid principal, immediately due and payable, as if the same had in the first instance been payable at such time, without requiring any recourse against any other person or property liable for or securing any of the Liabilities;
- (2) exercise any right of set-off which the Bank may have against the Borrower or any other Obligor;
- (3) exercise all or any of the rights and remedies of a secured party under the Uniform Commercial Code or as creditor under any other applicable law;
- (4) require the Borrower to assemble the Collateral and any records pertaining thereto and make them available to the Bank at a time and place designated by the Bank;
- (5) enter the premises of the Borrower and take possession of the Collateral and any records pertaining thereto; and also take possession of all personal property located in or attached to the Collateral without liability to the Borrower and hold such property for Borrower at Borrower's expense;
- (6) use, operate, manage, lease or otherwise control the Collateral in any lawful manner, collect and receive all rents, income, revenue, earnings, issues and profits therefrom and, in its sole discretion but without any obligation to do so, insure, maintain, repair, renovate, alter or remove the Collateral;
- (7) grant extensions or compromise or settle claims for less than face value relative to the Proceeds without prior notice to the Borrower or any other Obligor;
- (8) use, in connection with any assembly, use or disposition of the Collateral, any trademark, trade name, trade style, copyright, brand, patent, patent right, license or technical process used or utilized by the Borrower;
- (9) take such actions as the Bank may deem necessary or advisable to preserve, process, develop, maintain, protect, care for or insure the Collateral or any portion thereof, and Borrower irrevocably appoints Bank as its attorney-in-fact to do all acts and things in connection therewith; or
- (10) sell or otherwise dispose of all or any of the Collateral at any public or private sale at any time or times without advertisement or demand upon or notice to the Borrower or any other Obligor, all of which are expressly waived to the extent permitted by law, with the right of the Bank or its nominee to become purchaser at any sale (unless prohibited by statute) free from any equity of redemption and from all other claims, and after deducting all legal and other expenses for maintaining or selling the Collateral and all attorney's fees, legal or other expenses for collection, sale and delivery, apply the remaining proceeds of any sale to pay (or hold as a reserve against) any of the Liabilities.

(b) Except to the extent limited by non-waivable provision of statute, the Bank shall not be liable to any person whatsoever, for, or in connection with, the exercise, method of exercise, delay or failure to exercise any of the remedies provided for herein, and Borrower shall indemnify, and agrees to hold harmless and waives and releases the Bank from any and all claims, liabilities, actions, costs, suits, demands, damages or losses whatsoever occurring on account of or in connection with such exercise, method of exercise, delay or failure to exercise.

19. NOTICES. Any notices required to be given to the Borrower shall be deemed reasonably and properly given if mailed at least five (5) days before any action contemplated in such notice shall be taken, postage prepaid, addressed to the Borrower at the address set forth in the introduction to this Security Agreement.

20. WAIVERS; INVALIDITY. No delay or failure by Bank in the exercise of any right or remedy shall constitute a waiver thereof, and no single or partial exercise by the Bank of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy provided for in this Security Agreement or otherwise. Any waiver by the Bank of any right or remedy or other provision of this Security Agreement shall not preclude the Bank from exercising or enforcing the same at any time or times thereafter.

If any provision of this Security Agreement shall be held for any reason to be invalid, illegal or unenforceable in any respect, such impairment shall not affect any other provision hereof.

21. EXPENSES. The Borrower agrees to pay or reimburse the Bank, immediately upon demand at any time or times, for all expenses incurred to perfect, protect and maintain continuously perfected the Bank's security interest, and the priority thereof, in the Collateral, or to preserve, process, develop, maintain, protect, care for or insure any Collateral, or in the taking, holding, preparing for sale, lease or other disposition, selling, leasing or otherwise disposing of the Collateral, or any other action taken by the Bank to enforce or exercise its rights or remedies under this Security Agreement, including without limitation reasonable attorney's fees, filing fees, documentary recordation taxes, appraisal charges and storage costs. If the Bank advances any sums for such purposes, Borrower shall reimburse the Bank therefor on demand, and such advance(s) shall bear interest at 2% per annum over the highest rate then payable on any of the Liabilities from the date(s) of such advance(s) and both the amount of such advance(s) and such interest shall constitute part of the Liabilities secured hereby.

22. LEGAL EFFECT. This Security Agreement binds and inures to the benefit of the Bank, the Borrower, and their respective heirs, administrators, representatives, successors and assigns.

23. CONSTRUCTION. Whenever used in this Security Agreement, unless the context clearly indicates a contrary intent:

- (a) "Borrower" shall mean each person (whether individual, corporation, partnership or unincorporated association) who executes this Security Agreement, and any subsequent owner of the Collateral, and its or their respective heirs, executors, administrators, successors and assigns;
- (b) "Bank" shall mean Meridian Bank and its successors and assigns;
- (c) the use of any gender shall include all genders;
- (d) the singular shall include the plural, and the plural shall include the singular; and
- (e) if the Borrower is more than one person, all agreements, conditions, covenants and provisions of this Security Agreement shall be the joint and several undertaking of each of them and shall bind each of them as though each of them were named specifically herein wherever "Borrower" is used.

24. APPLICABLE LAW. This Security Agreement shall be governed by and construed and enforced in accordance with the substantive laws of the Commonwealth of Pennsylvania. All terms used herein shall have the meanings given to them by the Pennsylvania Uniform Commercial Code, to the extent not otherwise defined herein.

25. ENTIRE AGREEMENT. This Security Agreement, and the documents executed and delivered pursuant hereto, constitute the entire agreement of the parties and may be amended only by writing signed by or on behalf of each party.

BORROWER (If individuals, partnership, etc.)

_____ Business Name if any _____

_____ L.S. _____

Witness

BORROWER (If corporation)

_____ **RADNOR ASSOCIATES, LTD.** _____
Corporate Name

By: _____
Title: President

By: _____
Title: _____

Attest: _____
Title: _____

_____ *John H. Van Deusen SVS* _____
Witness

COMMONWEALTH OF PENNSYLVANIA :
: SS
COUNTY OF PHILADELPHIA :

On this, the 8th day of September, 1988
before me, a Notary Public in and for said County and State,
personally appeared Louis A. Zehner, Jr. and
acknowledged himself (herself) to be the President
of Radnor Associates, Ltd., a Corporation,
and that being authorized to do so as such corporate officer
executed the foregoing instrument for the purposes therein contained
on behalf of the Corporation.

WITNESS my hand and notarial seal the day and year aforesaid

Susan M. Metrow
(Individual Notary)

My Commission Expires: 11-30-91

9/8, 19 88

