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OF COUNSEL
URBAN A. LESTER

February 1, 1994

RECORDATION NO. 18683 FILED 1425

Mr. Sidney L. Strickland, Jr.
Secretary
Interstate Commerce Commission
Washington, DC 20423

FEB - 1 1994 - 2 45 PM

INTERSTATE COMMERCE COMMISSION

Dear Mr. Strickland:

Enclosed are two original duly executed and acknowledged copies of a Security Agreement dated January 26, 1994, a primary document, together with an Addendum attached thereto.

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

Secured Party: Concord Commercial Corporation
70 Valley Stream Parkway
Malvern, Pennsylvania 19355

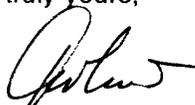
Debtor: Pioneer Railroad Equipment Co., Ltd.
1831 North Santa Fe Avenue
Chillicothe, Illinois 61523

A description of the railroad equipment covered by the enclosed document is set forth in an Equipment and Railcar Usage Schedule attached to the enclosed document.

Also enclosed is a check in the amount of \$18.00 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,


Robert W. Alvord

RWA/bg
Enclosures

Handwritten notes:
Shirley M. Lane
C. Alvord

Vertical stamp:
FEB 1 1994
INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission
Washington, D.C. 20423

2/1/94

OFFICE OF THE SECRETARY

Robert W. Alvord
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 2/1/94 at 2:45pm, and assigned
recording number(s). 18683 18684 & 18684-A

Sincerely yours,

Secretary
SIDNEY L. STRICKLAND, JR.

Enclosure(s)

Concord Commercial Corporation

RECORDATION NO. 18683 FILED 1425

SECURITY AGREEMENT

FEB - 1 1994 - 2 15 PM

INTERSTATE COMMERCE COMMISSION

AGREEMENT made this 26th day of JAN, 1994, by and between Concord Commercial Corporation, a Delaware corporation having its principal place of business at 70 Valley Stream Parkway, Malvern, PA 19355 ~~XXXX~~ XXXX, ("Secured Party") and Pioneer Railroad Equipment Co., Ltd., an Iowa corporation having its principal place of business at 1831 North Santa Fe Avenue Chillicothe, IL 61523 ("Debtor").

In consideration of the mutual covenants hereinafter set forth, and intending to be legally bound, the parties hereto agree as follows:

1. Debtor hereby grants to Secured Party, its successors and assigns, a security interest in the following described personal property, together with all accessories, attachments and accessions now or hereafter affixed thereto and substitutions, insurance proceeds, proceeds, and replacements thereof, hereinafter referred to collectively as "Collateral":

See Equipment and Railcar Usage Schedule attached hereto and by this reference made a part hereof.

to secure performance and payment of all obligations and indebtedness of Debtor to Secured Party, either direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising (all hereinafter called "Obligations"). Secured Party shall not be obligated to release its security interest in any of the Collateral until all Obligations of Debtor to Secured Party are satisfied in full.

2. Secured Party shall make advances to the Debtor or its designee or designees in one or more payments and in such amounts solely within the discretion of the Secured Party.

3. Debtor hereby represents, warrants and covenants that the Collateral is owned by Debtor and shall be kept, except as hereinafter provided, at the premises of Debtor referenced hereinabove or at any rail point in North America ("Property").

4. Debtor warrants, covenants and agrees as follows:

- a. To pay and perform all of the Obligations secured by this Agreement according to their terms.
- b. On demand of Secured Party to do the following: (i) execute any written agreement or do any other acts necessary to effectuate the purposes and provisions of this Agreement, (ii) execute any instrument or statement required by law or otherwise in order to perfect, continue or terminate the security interest of Secured Party in the Collateral, and (iii) pay all costs of filing in connection therewith.
- c. To retain possession of the Collateral during the existence of this Agreement and not to sell, exchange, assign, loan, deliver, lease, mortgage or otherwise dispose of such Collateral without the written consent of Secured Party.
- d. To keep the Collateral at the location set forth in Section 3 hereof and not to remove the Collateral (except in the usual course of business for temporary periods) without the written consent of Secured Party.
- e. To keep the Collateral free and clear of all liens, charges, encumbrances, taxes and assessments.
- f. To pay, when due, all taxes, assessments and license fees relating to the Collateral except any taxes on the income of Secured Party from this financing of Collateral for Debtor.
- g. To keep the Collateral insured on an all-risk basis against all loss or damage and such other hazards as Secured Party may require. Policies shall be in such form and amounts and with such insurance companies as Secured Party may designate or approve; provided, however, that the amount thereof shall be at least equal to the fair market value of the Collateral. Policies shall be obtained from responsible insurers authorized to do business in the State within which Collateral is to be located. Policies of insurance, payable to Secured Party and Debtor as their interests may appear, shall be deposited with Secured Party who is authorized, but under no duty, to obtain such insurance upon failure of Debtor to do so. Each such policy of insurance shall provide that the insurance company shall give Secured Party 30 days prior written notice of the effective date of any alteration or cancellation of such policy. Debtor shall give immediate written notice to Secured Party and to each insurer of loss or damage to the Collateral and shall promptly file proofs of loss with each such insurer.
- h. To keep the Collateral, at Debtor's own cost and expense, in good repair and condition and available, together with the records relative thereto, for inspection by Secured Party at all reasonable times.
- i. To immediately notify Secured Party in writing of any change in or discontinuance of Debtor's place or places of business.
- j. To indemnify and save harmless Secured Party, its successors and assigns, employees, officers, directors and agents from and against any and all claims or suits for any loss, damage, or injury sustained by any person whomsoever by reason of the sale, financing, process, use or disposition of the Collateral, and in this connection, Debtor shall pay the costs of all legal fees and all other reasonable costs and expenses incurred by Secured Party.

5. Secured Party shall be entitled to inspect the Collateral at any time during reasonable business hours.

All terms and conditions on the reverse side of this Agreement are a part hereof and binding upon the parties hereto. Debtor acknowledges having read and received a true executed copy of this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

Pioneer Railroad Equipment Co., Ltd.

By: [Signature] Debtor
Title: Secretary

(Witness)

By: [Signature] CONCORD COMMERCIAL CORPORATION
Title: Sharon Griebel Negele

(Witness)

ADDENDUM

This addendum is attached to and forms a part of that certain Security Agreement dated 1/26/94 by and between Pioneer Railroad Equipment Co., Ltd. as Debtor and Concord Commercial Corporation, as Secured Party.

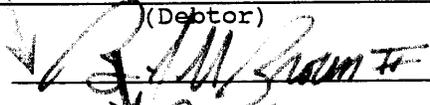
The following shall be added to paragraph 15 :

It shall be an event of default under this Agreement if a controlling interest of the stock or partnership interest of the Debtor, as applicable, is transferred (whether in increments or on one occasion) to persons or other legal entities other than those holding said controlling interest at the date of execution of this Agreement.

The Debtor shall furnish to the Secured Party: (i) within one hundred twenty (120) days of the end of the fiscal year, for so long as any Obligations remain unsatisfied, financial statements of the Debtor prepared in accordance with Generally Accepted Accounting Principles; and (ii) such other financial information in such form, content and frequency as the Secured Party may reasonably request. Failure to provide any of the foregoing shall be an event of default.

Pioneer Railroad Equipment Co., Ltd.

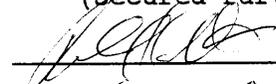
(Debtor)

BY: 

Title: Secretary

Concord Commercial Corporation

(Secured Party)

BY: 

Title: Senior Credit Mgr.

EQUIPMENT AND RAILCAR USAGE SCHEDULE

This Equipment Schedule is attached to and by this reference made a part of that certain Security Agreement (the "Agreement") dated 1/26, 1994 by and between Pioneer Railroad Equipment Co., Ltd. as Debtor and Concord Commercial Corporation as Secured Party.

Collateral:

One (1) ALAB 001400, formerly GNWR 007000
One (1) ALAB 001402, formerly GNWR 007001
One (1) ALAB 001403, formerly GNWR 007002
One (1) ALAB 001404, formerly GNWR 007003
One (1) ALAB 001405, formerly GNWR 007006
One (1) ALAB 001406, formerly GNWR 007007
One (1) ALAB 001407, formerly GNWR 007008
One (1) ALAB 001409, formerly GNWR 007009
One (1) ALAB 001410, formerly GNWR 007010
One (1) ALAB 001412, formerly GNWR 007013
One (1) ALAB 001413, formerly GNWR 007014
One (1) ALAB 001414, formerly GNWR 007016
One (1) ALAB 001415, formerly GNWR 007019
One (1) ALAB 241540, formerly SP 241540
One (1) ALAB 241565, formerly SP 241565
One (1) ALAB 241697, formerly SP 241697
One (1) ALAB 241781, formerly SP 241781
One (1) ALAB 241878, formerly SP 241878

That certain Railcar Usage Agreement dated 1/26/94 by and between Pioneer Railroad Equipment Co., Ltd. and Alabama Railroad Co.

All terms and conditions of the Agreement are hereby restated, ratified and confirmed.

IN WITNESS WHEREOF, the undersigned have executed this Schedule as of this 26TH day of JAN, 1994.

DEBTOR:

Pioneer Railroad Equipment Co., Ltd.

By: [Signature]

Title: Secretary

Date: 1/26/94

SECURED PARTY:

Concord Commercial Corporation

By: [Signature]

Title: Senior Credit Mgr

Date: 1/31/94

