

LAW OFFICES • 17518
ALVORD AND ALVORD

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

ROBERT W ALVORD*
CHARLES T KAPPLER
JOHN H DOYLE*
JAMES C MARTIN, JR *

* ALSO ADMITTED IN NEW YORK
* ALSO ADMITTED IN MARYLAND

200 WORLD CENTER BUILDING RECORDATION CO FILED 1425
918 SIXTEENTH STREET, N.W.
WASHINGTON, D.C. SEP 9 1991 - 11:11 AM
20006-2978 INTERSTATE COMMERCE COMMISSION
(202) 393-2266

OF COUNSEL
URBAN A LESTER
TELEX
440367 A AND A
TELEFAX
(202) 393-2156

1-252A011

September 9, 1991

#15
New Number
SEP 9 11:10 AM '91
MOTOR OPERATING UNIT

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

Dear Mr. Strickland:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two (2) fully executed and acknowledged copies of a Master Loan and Security Agreement dated as of September 5, 1991, a primary document as defined in the Commission's Rules for the Recordation of Documents under 49 C.F.R. Section 1177.

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

Lender: BOT Financial Corporation
125 Summer Street
Boston, Massachusetts 02110

Debtor: R.J. Longo Construction Company, Inc. and
Virotech Systems, Inc., each a New Jersey
Corporation and collectively a Joint Venture,
doing business under the additional name of
EPIC
305 Palmer Road
Denville, New Jersey 07834

A description of the railroad equipment covered by the enclosed document is:

Two hundred (200) Berwick Articulated Skeleton Container Rail Cars bearing EPIX reporting marks and road numbers 91001 through 91200, both inclusive.

Charles T. Kappler

Mr. Sidney L. Strickland, Jr.
September 9, 1991
Page Two

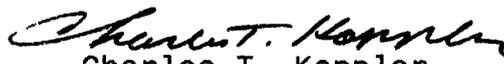
Also enclosed is a check in the amount of \$15 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

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.

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

Master Loan and Security Agreement dated as of September 5, 1991 between R.J. Longo Construction Company, Inc. and Virotech Systems, Inc., each a New Jersey corporation and collectively a Joint Venture, doing business under the additional name of EPIC, Debtor, and BOT Financial Corporation, Lendor covering 200 Berwick Articulated Skeleton Container Rail Cars, EPIX 91001 through 91200, both inclusive.

Very truly yours,


Charles T. Kappler

CTK/bg
Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

9/9/91

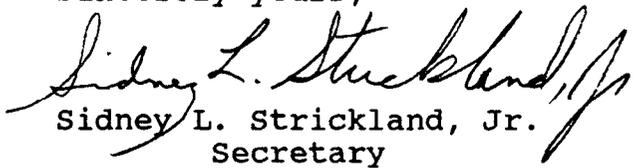
OFFICE OF THE SECRETARY

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 9/9/91 at 11:15am, and assigned recordation number(s). 17518

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

SEP 9 1991 -11 55 AM

MASTER LOAN AND SECURITY AGREEMENT INTERSTATE COMMERCE COMMISSION

This MASTER LOAN AND SECURITY AGREEMENT is entered into as of September 5, 1991 by and between R. J. Longo Construction Company, Inc. and Virotech Systems, Inc., each a New Jersey corporation and collectively a Joint Venture, doing business under the additional name of EPIC ("Debtor"), with its principal place of business at 305 Palmer Road, Denville, New Jersey 07834 and BOT Financial Corporation ("Lender"), a Delaware corporation, with its principal place of business at 125 Summer Street, Boston, Massachusetts 02110.

Preliminary Statement

Debtor has entered into Contract No. 456B, dated October 31, 1990 with the Passaic Valley Sewerage Commission, a public corporation of the State of New Jersey (as such contract may amended or supplemented from time to time, herein referred to as the "PVSC Contract") for the transportation and disposal of non-hazardous solid waste. Debtor's performance under the PVSC Contract has been bonded by the General Insurance Company of America pursuant to a Performance Bond, dated October 25, 1990 (the "Bond").

Debtor has entered into a Transportation Contract CR-X-0538 with Consolidated Rail Corporation and St. Louis Southwestern Railway Company (as such contract may amended or supplemented from time to time, herein referred to as the "Conrail Contract") for the transportation of the non-hazardous solid waste between and within various states and Debtor further has entered into a Waste Disposal Contract, dated January 22, 1991 with Laidlaw Waste Systems, Inc. and Tiger Corporation (as such contract may be amended or supplemented from time to time, herein referred to as the "Laidlaw Contract") for the disposal at various sites of such non-hazardous solid waste.

Debtor holds a temporary registration pending the issuance of a permanent A-901 License from the New Jersey Department of Environmental Protection (the "License") in order to legally and properly perform its duties under the PVSC Contract and the Laidlaw Contract.

In consideration of the mutual agreements contained herein, the parties hereto agree as follows:

SECTION 1. DEFINITIONS. As used in this Agreement, the following terms shall have the following respective meanings, and, except where the context otherwise requires, shall be equally applicable to both the singular and the plural forms of such terms.

"Agreement", "hereof", "hereto", "hereunder" and words of similar import shall mean this Master Loan and Security Agreement, as from time to time amended, modified or supplemented.

"Additional Collateral" shall mean the items of collateral specified as the Additional Collateral in the Supplemental Security Agreements in which the same is described.

"Bond" has the meaning assigned thereto in the Preliminary Statement hereof.

"Business Day" means any day other than a day on which banking institutions in the Commonwealth of Massachusetts and the State of New Jersey are authorized by law to close.

"Casualty Loss Premium" shall have the meaning assigned thereto in Section 9.1 hereof.

"Closing Date" shall mean each date on which a Loan is made.

"Code" shall mean the Uniform Commercial Code as from time to time in effect in any applicable jurisdiction.

"Collateral" shall mean the Equipment, the Proceeds thereof, the Additional Collateral, if any, and all of Debtor's rights, title and interests therein and thereto.

"Commitment Expiration Date" for Loans to be made for Equipment described on a Loan Schedule shall mean the date set forth on such Loan Schedule as the "Commitment Expiration Date".

"Conrail Contract" has the meaning assigned thereto in the Preliminary Statement hereof.

"Cost" shall mean, with respect to any item of Equipment, an amount equal to the sum of (i) the seller's invoiced purchase price therefor (after giving effect to any discount or other reduction) payable or paid by Debtor, or, in the case of a re-financing, Debtor's original cost thereof, plus (ii) all excise and sales taxes payable or paid by Debtor in connection with its acquisition of such item, plus (iii) all costs and expenses payable or paid by Debtor, and approved by Lender, in connection with the delivery and installation of such item, which amount shall be set forth in the Supplemental Security Agreement in which such item is described.

"Escrow Agreement" means the Escrow Agreement, dated as of September 5, 1991 among Lender, Debtor and Cores State Bank, N.A. as escrow agent.

"Equipment" shall mean any and all items of equipment which are described in Loan Schedules and Supplemental Security Agreements, together with all accessories, parts, repairs, replacements, substitutions, attachments, modifications, additions, improvements, upgrades and accessions of, to or upon such items of equipment, now or hereafter acquired.

"Event of Loss" shall mean, with respect to any item of Equipment, the actual or constructive loss thereof or of the use thereof, due to theft, destruction, damage beyond repair or to an extent which makes repair uneconomical, or the condemnation, confiscation or seizure thereof, or requisition of title thereto or of use thereof, by any governmental authority or any other person.

"Guarantor" means any guarantor of the payment and performance of the Obligations under or relating to the Principal Documents.

"Guaranty" means any guaranty of the payment and performance of the Obligations under or relating to the Principal Documents, executed and delivered by any Guarantor.

"Installment Payment Date" shall mean, with respect to any Note, each date on which a regular installment of principal and interest is due.

"Laidlaw Contract" has the meaning assigned thereto in the Preliminary Statement hereof.

"Late Charge Rate" shall mean a rate per annum equal to the lesser of 15% and the highest rate of interest permitted by applicable law.

"Lender's Commitment" means, with respect to Loans to be made for Equipment described on any Loan Schedule, the amount set forth as the "Lender's Commitment" on such Loan Schedule.

"Liens" shall mean liens, mortgages, security interests, pledges, title retentions, charges, financing statements or other encumbrances of any kind whatsoever.

"Loan" shall mean each loan made by Lender pursuant to this Agreement and each Loan Schedule.

"Loan Schedule" means a Loan Schedule to be executed by Lender and Debtor and to be attached hereto and made a part hereof, setting forth a general description of the Equipment covered by such Loan Schedule, the Commitment Expiration Date, Lender's Commitment and Maximum Note Amount for all Loans relating to the Equipment covered by such Loan Schedule, the interest rate, payment factors and number of periodic payments of

principal and interest applicable to such Loans and such other details as may be requested by Lender.

"Maximum Note Amount" means, with respect to each Note to be issued for Equipment described on any Loan Schedule, the amount set forth as the "Maximum Note Amount" on such Loan Schedule.

"Note" shall mean each promissory note executed and delivered by Debtor pursuant hereto, satisfactory in form and substance to Lender.

"Obligations" shall mean (a) the aggregate unpaid principal amount of, and accrued interest on, the Notes; (b) all other obligations and liabilities of Debtor, now existing or hereafter incurred, under, arising out of or in connection with this Agreement or any Note or any Supplemental Security Agreement; (c) any and all other indebtedness, liabilities and obligations of any kind whatsoever of Debtor to Lender, whether now existing or hereafter incurred.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, trustee(s) of a trust, unincorporated organization, or government or governmental authority, agency or political subdivision thereof.

"Principal Documents" means this Agreement, any Guaranty, the Notes, the Loan Schedules and the Supplemental Security Agreements.

"Proceeds" shall have the meaning assigned to it in the Code, and in any event, shall include, but not be limited to, (i) any and all proceeds of any insurance, indemnity, warranty or Guaranty payable to or on behalf of Debtor from time to time with respect to the Equipment; (ii) any and all payments (in any form whatsoever) made or due and payable to Debtor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Equipment by any governmental body, authority, bureau or agency or any other person (whether or not acting under color of governmental authority); (iii) any and all other rents or profits or other amounts from time to time paid or payable in connection with the Equipment.

"PVSC Contract" has the meaning assigned thereto in the Preliminary Statement hereof.

"Supplemental Security Agreement" means each Supplemental Security Agreement executed and delivered by Debtor pursuant hereto, satisfactory in form and substance to Lender.

SECTION 2. AMOUNT AND TERMS OF LOANS; USE OF PROCEEDS; SECURITY INTEREST; NOTES; EVENT OF LOSS.

Subject to the terms and conditions hereof and of each Loan Schedule, Lender agrees to make Loans to Debtor with respect to the Equipment described on any Loan Schedule, from time to time prior to the Commitment Expiration Date set forth on such Loan Schedule, in an aggregate principal amount not to exceed the amount of Lender's Commitment set forth on such Loan Schedule, and with each Note to be in an amount not more than the Maximum Note Amount set forth on such Loan Schedule.

The proceeds of each Loan shall be applied by Debtor solely in payment of the Cost of (or in reimbursement to Debtor for payment of the Cost of) the Equipment identified in the Supplemental Security Agreement to which such Loan relates, in each case to the extent such Cost is financed by Lender. The Equipment shall be satisfactory to Lender and shall be more specifically described in the applicable Supplemental Security Agreement. As collateral security for the prompt and complete payment and performance when due of all the Obligations and in order to induce Lender to enter into this Agreement and make the Loans and to extend other credit from time to time to Debtor, whether under this Agreement or otherwise, Debtor hereby grants to Lender a continuing security interest in the Collateral.

Each Loan shall be evidenced by Debtor's Note. Each Note shall (i) be in the original principal amount of the Loan evidenced thereby and be dated the date on which such Loan is made; (ii) be payable in such number and type of installments of principal and interest and bear such interest rate on the unpaid principal amount thereof as is specified in the Loan Schedule relating to such Loan; and (iii) be payable on the dates and in the amounts set forth therein. Whenever any unpaid principal amount of a Note shall become due and payable, interest thereon shall thereafter accrue and be payable at the Late Charge Rate until such principal amount shall be paid in full.

SECTION 3. CONDITIONS OF BORROWING. Lender shall not be required to make any Loan hereunder unless on the Closing Date thereof all legal matters with respect to, and all legal documents executed in connection with, the contemplated transactions are satisfactory to Lender and all of the following conditions are met to the satisfaction of Lender (except that (a) and (b) are required in connection with the initial Loan only):

(a) Lender has received a certificate signed by Debtor's Secretary or Assistant Secretary, certifying the corporate proceedings of Debtor authorizing the execution, delivery and performance of this Agreement and the other Principal Documents

and the transactions contemplated hereby and thereby, and certifying the names and specimen signatures of the officers of Debtor authorized to execute this Agreement and the other Principal Documents, and any related documents, together with their specimen signatures;

(b) the Guaranty, if any, has been duly executed and delivered by the Guarantor and Lender has received an executed counterpart thereof, together with a certificate signed by Guarantor's Secretary or Assistant Secretary, certifying the corporate proceedings of Guarantor authorizing the execution, delivery and performance of the Guaranty, and certifying the names of the officers of Guarantor authorized to execute the Guaranty and any related documents, together with their specimen signatures;

(c) if requested, Lender has received the written opinions addressed to it of counsel for Debtor and Guarantor, if any, as to such matters incident to the contemplated transactions as Lender may reasonably request;

(d) Debtor has executed and delivered to Lender a Loan Schedule with respect to the Equipment to be financed with the proceeds of such Loan;

(e) Debtor has executed and delivered to Lender the Note evidencing, and a Supplemental Security Agreement describing the Equipment to be financed with the proceeds of, such Loan;

(f) the Equipment being financed with the proceeds of such Loan has been delivered to and accepted by Debtor, and Lender has received satisfactory evidence that it is insured in accordance with the provisions hereof and that the Cost thereof has been, or concurrently with the making of the Loan shall be, fully paid;

(g) Lender has received copies of the invoices and bills of sale, if any (including the manufacturers' statements of origin or the certificates of title, showing Lender as sole lienholder in the case of titled vehicles), covering Debtor's acquisition of the Equipment being financed with such Loan and showing Debtor as the owner thereof;

(h) Lender has received evidence, satisfactory to Lender, of the insurance coverage to be maintained by Debtor pursuant to Section 5A.13 hereof;

(i) all filings, recordings, notations of lien, assignments and other actions (including the obtaining of landlord and/or mortgagee waivers) deemed necessary or desirable by Lender in order to perfect a valid first priority security interest in the Equipment (and related Proceeds and rights of Debtor) being financed by such Loan and in the Additional Collateral, if any,

have been duly made or effected (except that Lender's security interest in any Additional Collateral may be subject to a prior security interest if so specified in the Supplemental Security Agreement in which such Additional Collateral is described), and all fees, taxes and other charges relating thereto have been paid;

(j) the representations and warranties contained in this Agreement, in any Guaranty and in the Supplemental Security Agreement covering the Equipment with respect to which such Loan is being made, are true and correct with the same effect as if made on and as of such Closing Date and no Event of Default is in existence on such Closing Date or shall occur as a result of such Loan;

(k) in the sole judgment of Lender, there has been no material adverse change in the financial condition, business or operations of Debtor or any Guarantor since the date of the then most recent financial statement of Debtor or any Guarantor delivered to Lender;

(l) Lender has received from Debtor and any Guarantor such other documents and information as Lender has reasonably requested;

(m) the amount of each Note is not more than the Maximum Note Amount specified on the related Loan Schedule, and each Loan, when added to the aggregate amount of all Loans theretofore made with respect to the Equipment covered by such Loan Schedule, will not cause the amount of Lender's Commitment specified on such Loan Schedule to be exceeded; and

(n) the Closing Date for such Loan is a date not later than the Commitment Expiration Date specified on the related Loan Schedule.

(o) this Agreement shall have been duly filed and recorded by Lender, at the expense of Debtor, in conformity with 49 USC Section 11303 of the Interstate Commerce Act and in such other place or places within the United States as may be necessary for the protection of the security interest of Lender in the Equipment, and Lender shall have received an opinion of counsel from Alvord and Alvord, addressed to Lender, with respect to such filing;

(p) Lender has a received a fully executed Escrow Agreement among Debtor, Lender and a fully insured national or state banking institution chosen by Debtor and approved by Lender, stating that (i) twelve and five tenths percent (12.5%) of the Cost of each item of Equipment with respect to which a Loan is made hereunder shall be deposited by Debtor with such banking institution on the Closing Date of such Loan, to be held in

escrow for the benefit of Lender, until such time as the Equipment has been fully and unconditionally approved by the American Association of Railroads for use as contemplated by this Agreement (herein called the "First Escrow") and (ii) nineteen and six thousand seven hundred and two ten-thousandths percent (19.6702%) of the Cost of each of the first thirty-five (35) items of Equipment with respect to which a Loan is made hereunder shall be deposited by Debtor with such banking institution on the Closing Date of such Loan, to be held in escrow for the benefit of Lender and Debtor, until such time as the Equipment has been fully and unconditionally accepted by Debtor for use as contemplated by this Agreement (herein called the "Second Escrow"). Upon such acceptance by Debtor, the Second Escrow shall be released to Debtor for payment to the vendor of the Equipment or to reimburse Debtor for such payment, as appropriate. Any accrued interest on the First Escrow and the Second Escrow shall be payable to Debtor.

SECTION 4. REPRESENTATIONS AND WARRANTIES. In order to induce Lender to enter into this Agreement and to make each Loan, Debtor represents and warrants to Lender that:

(a) Debtor is a joint venture, and each joint venturer is a corporation, duly organized, validly existing and in good standing under the laws of the State of New Jersey, has the necessary authority and power to own the Equipment and its other assets and to transact the business in which it is engaged, and is duly qualified to do business in each jurisdiction where the Equipment is located and in each other jurisdiction in which the conduct of its business or the ownership of its assets requires such qualification;

(b) Debtor has full power, authority and legal right to execute and deliver this Agreement and the other Principal Documents, to perform its obligations hereunder and thereunder, to borrow hereunder and to grant the security interest created hereby and by each Supplemental Security Agreement;

(c) this Agreement has been (and each other Principal Document when executed and delivered shall have been) duly authorized, executed and delivered by Debtor and constitutes (and each other Principal Document when executed and delivered shall constitute) a legal, valid and binding obligation of Debtor enforceable in accordance with its terms;

(d) no consent of any other party (including any stockholders, trustees or holders of indebtedness), and no consent, license, approval or other action of or by or filing with any governmental instrumentality, is required in connection with the execution, delivery or performance by Debtor of, or the validity or enforceability of, this Agreement or the other Principal Documents;

(e) the execution, delivery and performance by Debtor of this Agreement and the other Principal Documents do not and will not violate any provision of any applicable law or regulation or of any judgment, order, or the like of any court or governmental instrumentality, will not violate any provision of Debtor's charter or bylaws and will not violate any provision of, or cause a default under, any loan agreement, indenture, contract, agreement or judgment to which Debtor is a party or which is binding upon Debtor or any of its assets;

(f) Debtor is not in default under any material contract or judgment to which Debtor is a party or which is binding upon Debtor or upon any of its assets and Debtor holds all material licenses, certificates and permits from governmental authorities necessary to use and operate the Equipment in accordance with the provisions of this Agreement;

(g) there is no action, suit, investigation or proceeding pending or threatened against or affecting Debtor or any of its assets which involves any of the Collateral or any of the contemplated transactions or which, if adversely determined, would have a material adverse effect on Debtor's business, operations or financial condition, other than the investigatory proceeding by the New Jersey Department of Environmental Protection with respect to Debtor's application thereto for a permanent A-901 License;

(h) all financial statements of Debtor which have been delivered to Lender have been prepared (and those financial statements which hereafter will be delivered to Lender will be prepared) in accordance with generally accepted accounting principles consistently applied, and present fairly (and those financial statements which hereafter will be delivered to Lender will present fairly) Debtor's financial position as at, and the results of its operations for the periods ended on, the respective dates thereof;

(i) the security interest granted to Lender in the Collateral constitutes and will continue to constitute a first priority security interest in the Collateral, and there are (and will be) no other liens on or against the Collateral whatsoever (except in the case of any Additional Collateral for any prior security interest that is specified in the Supplemental Security Agreement in which such Additional Collateral is described); and

(j) on the date of each Loan, Debtor will have good and marketable title to each item of Equipment financed with the proceeds of such Loan and to the Additional Collateral, if any.

SECTION 5. COVENANTS. Debtor covenants and agrees that from and after the date hereof and so long as Lender's Commitment or any of the Notes is outstanding:

A. Debtor will:

(1) promptly give written notice to Lender of the occurrence of any Event of Loss or Event of Default, of the commencement or threat of any material litigation or proceedings affecting Debtor or the Collateral or of any dispute between Debtor and any governmental regulatory body or other party that involves any of the Collateral;

(2) observe and comply with all applicable laws, rules and regulations and all requirements of any governmental authorities relating to the performance of its obligations hereunder and to the use, operation, maintenance and ownership of the Collateral, including environmental, noise and pollution laws (including notifications and reports);

(3) maintain its existence as a legal entity and obtain and keep in full force and effect all rights, franchises, licenses and permits which are necessary to the proper conduct of its business, and pay all fees, taxes, assessments and governmental charges or levies imposed upon any of the Collateral;

(4) permit Lender or its authorized representative at any reasonable time or times to inspect the Collateral and, following the occurrence and during the continuation of an Event of Default, at any reasonable time or times to inspect the books and records of Debtor;

(5) keep proper books of record and account in accordance with generally accepted accounting principles;

(6) furnish to Lender the following financial statements all in reasonable detail, prepared in accordance with generally accepted accounting principles applied on a basis consistently maintained throughout the periods involved: (a) as soon as available, but not later than 120 days after the end of each fiscal year, its balance sheet as of the end of such fiscal year, and its statements of income and changes in financial position for such fiscal year, audited by certified public accountants acceptable to Lender; (b) as soon as available, but not later than 90 days after the end of each of the first three quarterly periods of each fiscal year, its balance sheet as of the end of such quarter and its statement of income for such quarter and for the portion of the fiscal year then ended, certified by its chief financial officer; and (c) promptly, such additional financial and other information as Lender may from time to time reasonably request;

(7) establish, prior to March 31, 1992, a Tangible Net Worth of at least two million dollars (\$2,000,000) and add an additional two million dollars (\$2,000,000) to such Tangible Net Worth each year thereafter through the term of this Agreement. As used herein the term "Tangible Net Worth" means the total of (x) equity contributions, general contingency reserves and retained earnings or deficit of an entity, determined in accordance with generally accepted accounting principles, minus (y) the following items (without duplication of deductions) (i) the book amount of all assets (including, without limitation, goodwill) which would be treated as intangible under generally accepted accounting principles and (ii) any write-up in the book amount of any existing asset resulting from the re-evaluation thereof, from the book amount entered upon acquisition in excess of the permitted under generally accepted accounting principles;

(8) promptly, at its expense, execute and deliver to Lender such instruments and documents, and take such action, as Lender may from time to time reasonably request in order to carry out the intent and purpose of this Agreement and to establish and protect the rights, interests and remedies created, or intended to be created, in favor of Lender hereby, including, without limitation, the execution, delivery, recordation and filing of financing statements and continuation statements, and Debtor hereby authorizes Lender, in such jurisdictions where such action is authorized by law, to effect any such recordation or filing of financing statements without Debtor's signature;

(9) warrant and defend its good and marketable title to the Collateral, and Lender's security interest in the Collateral, against all claims and demands whatsoever;

(10) at its expense, take such action (including the obtaining and recording of waivers) as may be necessary to prevent any third party from acquiring any right or interest in the Equipment by virtue of its being deemed to be real property, a part of real property, or a part of other personal property (Debtor hereby agreeing that the Equipment shall be and at all times remain separately identifiable personal property), and if at any time any person shall claim any such right or interest, Debtor will cause such claim to be waived in writing or otherwise eliminated to Lender's satisfaction within 30 days after such claim shall have first become known to it;

(11) at its expense, upon the request of Lender, to place markings on the Equipment by stencil or by a metal tag or plate affixed thereto showing plainly, distinctly and conspicuously Lender's security interest therein; provided, however, that such identification markings are to be (i) authorized by any appropriate government regulatory authority and (ii) placed so as not to interfere with the usefulness of such Item of Equipment. If any such identification marking shall at any time be defaced

or destroyed, Debtor shall immediately cause such defaced or destroyed identification marking to be restored or replaced;

(12) at its expense, cause each item of Equipment to be kept numbered with the identification numbers set forth in each Supplemental Security Agreement, and shall not change the identification number of any item of Equipment unless and until (a) a statement of new number or numbers to be substituted therefore shall have been sent to Lender and duly filed and deposited by Debtor in all public offices where this Agreement shall have been filed and deposited and (b) Debtor shall have furnished Lender an opinion of counsel to the effect that such statement has been so filed deposited, that such filing and deposit will protect Lender's rights in such Equipment and that no other filing, deposit or giving of notice with or to any federal, state or local government or agency thereof is necessary to protect the rights of Lender in such Equipment;

(13) use the Equipment in a careful and proper manner, in accordance with the manufacturer's or supplier's instructions or manuals, and only by competent and duly qualified personnel;

(14) use the Equipment solely within the continental limits of the United States, in compliance with the applicable interchange standards set for such Equipment by the Association of American Railroads ("AAR") and in conformity with the United States Department of Transportation regulations or those of any other government agency having jurisdiction over the use and operation of the Equipment;

(15) at its expense, maintain the Equipment in good condition and working order and furnish all parts, replacements, and servicing required therefor so that the value, condition and operating efficiency thereof will at all times be maintained (subject to reasonable repair and replacement time, and reasonable wear and tear excepted), with all such repairs made in accordance with the applicable standards set by the AAR for such Equipment and with any repairs, replacements and parts added to the Equipment immediately, without further act, becoming part of the Equipment and subject to the security interest created by this Agreement;

(16) (a) obtain and maintain at all times with respect to the Equipment, at Debtor's expense, (i) "All-Risk" physical damage insurance (including theft and collision for Equipment consisting of motor vehicles) in an amount not less than the Cost of the Equipment plus the applicable Casualty Loss Premium of the Equipment, naming Lender and its assigns as loss payees as their interests may appear, and (ii) comprehensive liability (including bodily injury, death and property damage) insurance, in such amounts and insuring against such risks as shall be satisfactory to Lender, and naming Lender and its assigns as additional

insureds, and with all such insurance to be in such form and with such insurers as shall be satisfactory to Lender, and each insurance policy to require that the insurer shall give Lender and its assigns at least 30 days prior written notice of any alteration in the terms of such policy or of the cancellation thereof, or of any reduction in the amount of such coverage, and that the interests of Lender and its assigns shall continue to be insured regardless of any breach of or violation by Debtor of any warranties, declarations or conditions contained in such insurance policy, and (b) promptly deliver certificates evidencing such insurance coverage (and, if requested by Lender or any of its assigns, copies of the policies evidencing such insurance coverage) to Lender and its assigns (Debtor agreeing that neither Lender nor any of its assigns shall bear any duty or liability to ascertain the existence or adequacy of such insurance); and

(16) promptly cause to be furnished to Lender, in the case of titled vehicles, the certificates of title showing Debtor as owner and Lender as sole lienholder.

B. Debtor will not without Lender's prior written consent:

(1) sell, convey, transfer, assign, exchange, lease or otherwise relinquish possession or dispose of any of the Collateral or any of its rights, title or interests therein, or attempt or offer to do any of the foregoing;

(2) create, assume or suffer to exist any Lien upon the Collateral except for the security interest created hereby and by each Supplemental Security Agreement (and except in the case of any Additional Collateral for any prior or subordinate security interest that is specified in the Supplemental Security Agreement in which such Additional Collateral is described);

(3) (a) sell, transfer or otherwise dispose of all or any substantial part of its assets; (b) change the form of organization of its business; or (c) without thirty (30) days prior written notice to Lender, change its name or its chief place of business;

(4) declare or pay any dividends, distributions or payments of profit to any Person, at any time, with the exception of any distributions or payments in respect of any federal, state or local taxes due and payable (all such dividends, distributions or payments being collectively called "Restricted Payments"), if, upon giving effect to such Restricted Payments, the aggregate amount expended for all such Restricted Payments will exceed fifty percent (50%) of Debtor's net income immediately following the payment of any such taxes;

(5) move (or in the case of titled vehicles, change the principal location of) any of the Collateral from the location specified in the Supplemental Security Agreement relating thereto without the prior written consent of Lender; or

(6) make or authorize any improvement, change, addition or alteration to the Equipment which would impair its originally intended function, use or economic value.

SECTION 6. EVENTS OF DEFAULT; REMEDIES. The following events shall each constitute an "Event of Default" hereunder:

(a) Debtor shall fail to pay any Obligation within eight (8) Business Days after the same becomes due (whether at the stated maturity, by acceleration or otherwise);

(b) any representation or warranty made by Debtor in this Agreement or in any other Principal Document or in any document, certificate or financial or other statement now or hereafter furnished by Debtor in connection with this Agreement or any Loan, or by any Guarantor under any Guaranty, shall at any time prove to be untrue or misleading in any material respect as of the date when made and such misrepresentation or breach shall continue unremedied for a period of 10 days after the earlier of the date on which Debtor obtains knowledge of such misrepresentation or breach or the date on which notice thereof shall be given by Lender to Debtor;

(c) Debtor shall fail to observe any covenant, condition or agreement contained in subsections 5A.13, 5B.1, 5B.3, 5B.4, 5B.5 or 5B.6 hereof;

(d) Debtor shall fail to observe or perform any other covenant or condition contained in this Agreement or in any other Principal Document, or Guarantor shall fail to observe or perform any covenant or condition contained in the Guaranty, and such failure shall continue unremedied for a period of 30 days after the earlier of the date on which Debtor obtains knowledge of such failure or the date on which notice thereof shall be given by Lender to Debtor;

(e) Debtor or any Guarantor shall default in payment or performance of any other indebtedness or obligations now or hereafter owing by Debtor or any Guarantor to any parent, subsidiary or affiliate of Lender, or any Guarantor shall default in payment or performance of any indebtedness or obligations now or hereafter owing to Lender;

(f) Debtor or any Guarantor shall default in the payment or performance of any obligation of Debtor (or any Guarantor) to any Person (other than Lender, or any parent, subsidiary or affiliate of Lender, and other than any Guarantor) in excess of

\$1,000,000.00 (excluding any such obligation which is being contested in good faith by Debtor or any Guarantor by appropriate proceedings, and the liability for which has not been reduced to judgment or which remains appealable) relating to the payment of borrowed money or the payment of rent or hire under any lease agreement, and such obligation shall be declared to be due and payable prior to the maturity thereof; or a judgment entered by a court of competent jurisdiction establishing an attachment or other Lien against a substantial part of the property of Debtor (or any Guarantor), and such judgment shall continue unstayed and in effect, or such attachment or Lien shall continue undischarged or unbonded, for a period of 30 days;

(g) Debtor or any Guarantor shall institute proceedings to be adjudicated a bankrupt or insolvent, or consent to the institution of bankruptcy, reorganization, insolvency, liquidation or dissolution proceedings against it, or commence a voluntary proceeding or case under any applicable federal or state bankruptcy, insolvency or other similar law, as now or hereafter constituted, or consent to the filing of any such petition or to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian or sequestrator (or other similar official) of Debtor or any Guarantor or of any substantial part of its property, or make any assignment for the benefit of creditors or admit its inability to pay its debts generally as they become due or its willingness to be adjudicated a bankrupt, or fail generally to pay its debts as they become due, or take corporate action in furtherance of any of the foregoing;

(h) the entry of a decree or order for relief by a court having jurisdiction in respect of Debtor or any Guarantor adjudging Debtor or any Guarantor a bankrupt or insolvent, or approving as properly filed a petition seeking a reorganization, arrangement, adjustment or composition of or in respect of Debtor or any Guarantor in an involuntary proceeding or case under any applicable federal or state bankruptcy, insolvency or other similar law, as now or hereafter constituted, or appointing a receiver, liquidator, or assignee, custodian, trustee or sequestrator (or similar official) of Debtor or any Guarantor or of any substantial part of its property, or ordering the winding-up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 30 days;

(i) a change in the ownership interests of Debtor or in the ownership of a majority of the issued and outstanding shares of capital stock of either joint venturer or of any Guarantor;

(j) Debtor or Guarantor shall enter into any merger, consolidation or corporate reorganization or shall liquidate or dissolve; or

(k) the termination, for any reason, by any party, of (A) the PVSC Contract or the Bond; or the expiration or termination of the License or temporary registration with respect thereto, or (B) the Laidlaw Contract or the Conrail Contract, provided, that Debtor may, at its option, and at its sole risk and expense, cure any curable default in this clause (B) by substituting or replacing the Laidlaw Contract or the Conrail Contract with contracts similar in substance and purpose to the Contract so replaced or substituted, so long as such action does not materially impair the Collateral or the security interest and other rights of Lender therein, and provided that a copy of any such replacement or substituted contract is sent to Lender promptly following the execution thereof; or

If an Event of Default shall occur, Lender may, by notice of default given to Debtor, (a) terminate the Commitment and/or (b) declare the Notes to be due and payable, whereupon the unpaid principal amount of the Notes, together with accrued interest thereon, and a Casualty Loss Premium and Prepayment Fee (as liquidated damages for loss of a bargain and not as a penalty) shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived (and in the case of any Event of Default specified in clauses (g) or (h) such acceleration of the Notes shall be automatic, without any notice by Lender) and/or (c) declare all of the other unpaid Obligations to become immediately due and payable whereupon the same shall become immediately due and payable; and/or (d) pursue and enforce any other rights and remedies available to Lender, whether under this Agreement, under any other instrument or agreement securing, evidencing or relating to the Obligations, under the Code, or otherwise available at law or in equity. Without limiting the generality of the foregoing, Debtor agrees that in any such event, Lender, without demand of performance or other demand, advertisement, or notice of any kind (except the notice specified below of time and place of public or private sale) to or upon Debtor or any other person (all and each of which demands, advertisements and/or notices are hereby expressly waived), may forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase or otherwise dispose of and deliver the Collateral (or contract to do so), or any part thereof, in one or more parcels at public or private sale or sales, at such prices as it may deem best, and for cash or on credit.

Lender shall have the right at any such public sale or sales, and to the extent permitted by law, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in Debtor, which right or equity is hereby expressly released. Debtor further agrees, at Lender's request, to assemble the Collateral and make it available to Lender at places which Lender shall reasonably select, whether at Debtor's

premises or elsewhere. Debtor shall further, at Lender's request, (i) furnish storage of or arrange for Lender to store, such Collateral on Debtor's storage tracks until such Collateral has been sold or otherwise disposed of by Lender, such period not to exceed sixty (60) days and (ii) cause such Collateral to be transported to such interchange point or points as shall be designated by Lender upon any sale or other disposition of all or any of such Collateral. All movement to and storage of any or all Collateral at Debtor's storage track shall be at the sole risk and expense of Debtor.

Lender shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale (after deducting all reasonable costs and expenses of every kind incurred therein or incidental to the care, safekeeping or otherwise of any or all of the Collateral or in any way relating to the rights of Lender hereunder, including attorneys' fees and legal expenses) and shall apply the total amount of expenses incurred and paid by Debtor in connection with the movement and storage of the Collateral pursuant to the last sentence of the preceding paragraph, to the payment in whole or in part of the Obligations, in such order as Lender may elect. Only after so applying such net proceeds and referenced movement and storage expenses incurred and paid by Debtor, and after the payment by Lender of any other amount required by any provision of law (including Section 9-504(1)(c) of the Code) need Lender account for the surplus, if any, to Debtor. To the extent permitted by applicable law, Debtor waives all claims, damages, and demands against Lender arising out of the repossession, retention or sale of the Collateral. Debtor agrees that Lender need not give more than 10 days' notice (which notification shall be deemed given when mailed, postage prepaid, addressed to Debtor at its address set forth herein) of the time and place of any public sale or of the time after which a private sale may take place and that such notice is reasonable notification of such matters. Debtor shall be liable for any deficiency if the proceeds of any sale or disposition of the Collateral are insufficient to pay all amounts to which Lender is entitled. Debtor agrees to pay all costs of Lender, including attorneys' fees, incurred with respect to collection of any of the Obligations and enforcement of any of its rights hereunder. To the extent permitted by law, Debtor hereby waives presentment, demand, protest or any notice (except as expressly provided in this Section 6 of any kind in connection with this Agreement or any Collateral.

SECTION 7. ASSIGNMENTS. Debtor may not assign or transfer the Obligations (or any thereof) or any of its rights or interests under any of the Principal Documents without the prior written consent of Lender. Lender may assign any of its rights and interests hereunder and under any of the Principal Documents and in any of the Collateral and any such assignee may re-assign any of such rights and interests. After any such assignment such assignee shall have and may exercise all of Lender's rights and interests assigned to it and the term "Lender" shall be deemed to include such assignee with respect to the rights and interests so assigned.

SECTION 8. MISCELLANEOUS.

8.1 Power of Attorney. Debtor hereby irrevocably constitutes and appoints Lender, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Debtor and in the name of Debtor or in its own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement with respect to the Collateral, provided an Event of Default has occurred and is continuing. This power of attorney is a power coupled with an interest and shall be irrevocable. The powers conferred on Lender hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers.

8.2 No Waiver of Rights. No failure or delay by Lender in exercising any right, power or privilege hereunder or under any Note or other Principal Document shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. No right or remedy in this Agreement is intended to be exclusive but each shall be cumulative and in addition to any other remedy referred to herein or otherwise available to Lender at law or in equity; and the exercise by Lender of any one or more of such remedies shall not preclude the simultaneous or later exercise by Lender of any or all such other remedies. No express or implied waiver by Lender of an Event of Default shall in any way be, or be construed to be, a waiver of any other or subsequent Event of Default. The acceptance by Lender of any regular installment payment or any other sum owing hereunder shall not constitute a waiver of any Event of Default in existence at the time, regardless of Lender's knowledge or lack of knowledge thereof at the time of such acceptance, and shall not constitute a reinstatement of the Agreement if Lender has sent Debtor a notice of default, unless Lender shall have agreed in writing to reinstate the Agreement and waive the Event

of Default.

8.3 Notices. All notices, requests and demands to or upon any party hereto shall be deemed duly given or made when deposited in the United States mail, first class postage prepaid, addressed to such party at its address set forth above or such other address as may be hereafter designated in writing by such party to the other party hereto.

8.4 Other Payments and Indemnification. Debtor agrees, whether or not the contemplated transactions are consummated, to pay or reimburse Lender for (i) all fees and taxes in connection with the recording of this Agreement or any other document or instrument required hereby; (ii) all fees and expenses of whatever nature incurred in connection with the creation, preservation and protection of Lender's security interest in the Equipment, including, without limitation, all fees and taxes in connection with the recording or filing of instruments and documents in public offices, payment or discharge of any taxes or Liens upon or in respect of the Equipment, and all other fees and expenses in connection with protecting or maintaining the Equipment and Lender's security interest therein, or in connection with defending or prosecuting any actions, suits or proceedings arising out of or related to the Equipment, including, without limitation, all fees and expenses with respect to environmental control, noise and pollution requirements, including penalties arising from any failure to report discharges; and (iii) all costs and expenses (including legal fees and disbursements) of Lender in connection with the enforcement of this Agreement and the Notes and any other Principal Document. Debtor also agrees to pay, and to indemnify and save Lender harmless from any delay in paying, all taxes (other than taxes on Lender's net income), including without limitation, sales, use, stamp and personal property taxes and all license, filing, and registration fees and assessments and other charges, if any, payable or determined to be payable in connection with the execution, delivery and performance of this Agreement or the Notes or any other Principal Document or any modification thereof. If Debtor fails to perform or comply with any of its agreements contained in this Agreement and Lender shall itself perform, comply, or cause performance or compliance, the expenses of Lender so incurred, together with interest thereon at the Late Charge Rate, shall be payable by Debtor to Lender on demand and until such payment shall constitute Obligations secured hereby.

8.5 Survival of Representations. All representations and warranties made in, or in connection with this Agreement shall survive the execution and delivery of this Agreement and the making of the Loans, and the agreements contained in Section 8.4 hereof shall survive payment of the Notes.

8.6 Entire Agreement. This Agreement, together with the other Principal Documents, contains the entire agreement between Lender and Debtor related to the contemplated transactions, and neither this Agreement nor any other Principal Document, nor any terms hereof, or thereof, may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which enforcement of a change, waiver, discharge or termination is sought.

8.7 Binding Effect. This Agreement shall be binding upon and inure to the benefit of Debtor and Lender and (subject in the case of Debtor to the restrictions set forth in Section 7 hereof) their respective successors and assigns.

8.8 Severability; Governing Laws. Headings of Sections and paragraphs are for convenience only, are not part of this Agreement and shall not be deemed to affect the meaning or construction of any of the provisions hereof. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by law, Debtor waives any rights now or hereafter conferred by statute or otherwise which limit or modify any of Lender's rights or remedies under this Agreement and waives any provision of law which renders any provision hereof prohibited or unenforceable in any respect. This Agreement, the Notes and the other Principal Documents shall be governed by, and construed in accordance with, the laws of the Commonwealth of Massachusetts.

8.9. Section 1168. It is the intention of the parties that this Agreement shall constitute a "purchase-money equipment security agreement" within the meaning of Section 1168 of the Bankruptcy Code of 1978, as amended. So long as said Section 1168, or any successor or comparable provision affording protection to lenders from the automatic stay under the United States Bankruptcy Code (then in effect), is in effect, Debtor hereby agrees that it will not, in connection with any bankruptcy proceeding involving Debtor, take a position in the United States Bankruptcy Court that is inconsistent with Lender's rights under said Section 1168 or said successor or comparable provision.

8.10. Copies as Financing Statements. A copy of the Agreement or of any Supplemental Security Agreement may be filed as a financing statement.

SECTION 9. PREPAYMENT.

9.1 Event of Loss With Respect to Equipment. (a) Upon the occurrence of an Event of Loss with respect to an item of Equipment, Debtor shall forthwith (and in any event, not later than 5 Business Days after such occurrence, give Lender written notice of such Event of Loss and Lender shall respond with a written advice as to whether Debtor shall prepay the outstanding Note (or portion thereof) issued with respect to such item of Equipment and to pay or cause to be paid the amount set forth in paragraph (b) below or to substitute replacement equipment for the Equipment that suffered such Event of Loss as set forth in paragraph (c) below.

(b) Should Lender elect to have Debtor prepay the outstanding Note (or portion thereof) issued with respect to such item of Equipment, Debtor shall on the earlier to occur of (i) the third Business Day following receipt of the insurance proceeds in respect of such Event of Loss or (ii) the 30th day following the occurrence of such Event of Loss, pay or cause to be paid to Lender an amount equal to the outstanding principal amount of the Note issued with respect to such item of Equipment that is equal to the Loan Value (hereinafter defined) of such item of Equipment, together with accrued and unpaid interest on the amount so prepaid. For purposes of this Section 9.1(b), the "Loan Value" in respect of any item of Equipment, shall be an amount equal to the product of (i) a fraction, the numerator of which is an amount equal to the Cost of such item of Equipment to which such prepayment relates and the denominator of which is the aggregate of the Cost of all items of Equipment to which said Note relates (as to which a prepayment under this Section 9.1(b) had not been made), and (ii) the unpaid principal amount of the Note being prepaid immediately prior to such prepayment (after giving effect to all payments of principal made with respect to such Note on such date).

(c) Should Lender elect to have Debtor replace the Equipment, Debtor shall (i) on the earlier to occur of (i) the third Business Day following receipt of the insurance proceeds in respect of such Event of Loss or (ii) the 30th day following the occurrence of such Event of Loss pay or cause to be paid to Lender, to be held in trust for the benefit of Debtor, funds in amount sufficient to satisfy paragraph (b) above and (iii) within 60 days of the date of the occurrence of the Event of Loss, or such longer period as agreed to by Lender, substitute an item or items of equipment for the item or items of Equipment subject to such Event of Loss as provided below. The funds referred to in paragraph (b) above shall be held by Lender pending Debtor's replacement of the Equipment on or before the 60th day following the date of the occurrence of such Event of Loss, or such longer period as agreed to by Lender (in which case said funds upon replacement of the Equipment shall be released from trust and

returned by Lender to Debtor or at Debtor's direction). Interest or other earnings on such payments while held in trust shall be paid to Debtor.

In the event Debtor shall replace an item or items of Equipment Debtor shall, not later than the 60th day following the occurrence of such Event of Loss (unless such time period is extended with the consent of Lender) (A) purchase equipment or an item of equipment, free and clear of all Liens and having at least the value, utility and remaining useful life and being in as good an operating condition as, the Equipment subject to such Event of Loss assuming that the Equipment had been maintained in accordance with this Agreement; provided that any equipment so substituted hereunder shall be of the same or improved make and model as that initially secured hereunder and shall be subject to the review and approval of Lender and (B) prior to or at the time of any such substitution, Debtor, at its own expense, will (1) furnish Lender with such evidence of Debtor's title to such replacement equipment and of compliance with the insurance provisions of Section 5 with respect to such replacement equipment as Lender may reasonably request, (2) cause a Supplemental Security Agreement with respect to any replacement equipment to be duly executed by Debtor, (3) furnish Lender with an opinion of counsel reasonably satisfactory to Lender to the effect that good title to the replacement property has been vested in Debtor free and clear of all Liens other than the lien of this Agreement, and that such replacement equipment is duly subjected to the lien of this Agreement, (4) furnish Lender with an officer's certificate certifying that, upon consummation of such replacement, no Event of Default will exist hereunder, (5) furnish Lender with a certificate or certification, reasonably satisfactory to Lender, certifying that the replacement equipment has a value and utility and remaining useful life at least equal to, and is in substantially similar operating condition as, the Equipment replaced assuming the replaced Equipment was in the condition and repair required by the terms hereof immediately prior to the occurrence of such Event of Loss, and (6) furnish such other certificates or documents (including appropriate UCC financing statements) as Lender may reasonably request to effect such replacement. For all purposes hereof, the equipment so substituted shall after such transfer be deemed part of the equipment subject to this Agreement and shall be deemed an item of "Equipment" as defined herein. No Event of Loss with respect to an item or items of Equipment for which replacement has been required pursuant to Section 9.1 hereof shall result in any suspension or reduction in principal and interest payments due hereunder.

(d) So long as no Event of Default has occurred hereunder and is continuing, the amounts received by Lender which constitute payments made pursuant to Section 9.1(a) hereof shall be paid and applied first, to the payment of an amount equal to

the accrued and unpaid interest on that portion of the principal amount of the Note to be prepaid, second, to the principal prepayment required, third, to the payment in full of all other unpaid Obligations with respect to such item of Equipment, and fourth, the balance, if any, of such amounts shall be paid to or upon the order of Debtor.

(e) In the event of any partial prepayment of any Note pursuant to this Section 9.1, the amount of each of the remaining installments of principal and interest on such Note shall be reduced in the proportion that the principal amount of such prepayment bears to the unpaid principal amount of such Note immediately prior to such prepayment.

(f) If more than one Note is outstanding with respect to the same item of Equipment at the time any prepayment relating to such item is to be made pursuant to this Section 9.1, such prepayment shall be made on all such outstanding Notes ratably in accordance with the aggregate principal amount remaining unpaid thereon.

9.2 Optional Prepayment. (a) Provided no Event of Default has occurred and is continuing hereunder, Lender agrees that Debtor may, but shall not be obligated to, prepay any Note (in full, but not in part) on any payment date on or after the thirty-sixth (36th) Payment Period of such Note, for an amount equal to the sum of (i) the then aggregate unpaid principal amount thereof and all interest accrued thereon, plus (ii) the product of the aggregate Cost of all items of Equipment to which such Note relates (as to which a prepayment under this Section 9 had not been made) multiplied by the appropriate percentage set forth opposite the related Payment Period in which such prepayment occurs on the Schedule of Casualty Loss Premiums attached to the Supplemental Security Agreement applicable to such Note, plus (iii) the Prepayment Fee, if any, plus (iv) all other then unpaid Obligations with respect to such Note. For purposes of this Section 9.2 "Prepayment Fee" shall mean the amount determined by (A) calculating the decrease (expressed in basis points) in the yield for the United States Treasury Note with a maturity of five (5) years from, and as stated in, the Telerate Index, one day prior to the date of the Loan to one day prior to the date of such prepayment, (B) dividing the difference by 100, (C) multiplying the result by the applicable percentage noted below, and (D) multiplying the product by the outstanding principal balance of the Note to be prepaid.

<u>Number of Months Remaining</u>	<u>Years</u>	<u>Fee as of Percentage of Remaining Principal Per 1.00% Decrease in Rate</u>
24 - 13	2	1.00
12 - 1	1	0.70

For purposes of this Section 9.2(a), the "Casualty Loss Premium" in respect of any Item of Equipment, shall be an amount equal to the product of the Cost of such item of Equipment to which such prepayment relates multiplied by the appropriate percentage set forth opposite the related payment period in which such Event of Loss occurs on the Schedule of Casualty Loss Premiums attached to the Supplemental Security Agreement applicable to such Note.

(b) Except as specifically permitted under this Section 9, Debtor shall not have the option of prepaying the Notes (or any Note) in whole or in part.

THE ADDITIONAL TERMS AND CONDITIONS IN ANY LOAN SCHEDULE AND IN ANY OTHER RIDERS HERETO EXECUTED BY DEBTOR AND LENDER ARE INCORPORATED IN AND MADE PART OF THIS AGREEMENT.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Agreement by their duly authorized officers as of the date first above written.

R. J. LONGO CONSTRUCTION COMPANY, INC.

By: 

Title: _____

VIROTECH SYSTEMS, INC.

By: 

Title: *Pres.*

BOT FINANCIAL CORPORATION

By: _____

Title: Senior Vice President

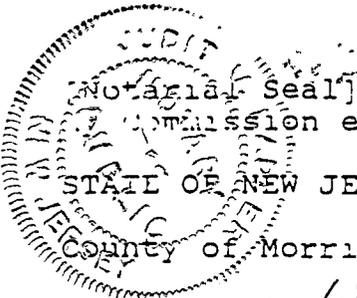
STATE OF NEW JERSEY)

) SS.:

County of Morris)

On this 6th day of September, 1991, before me personally appeared ROBERT J. LONGO, to me personally known, who, being by me duly sworn, says that he is a PRESIDENT of R. J. Longo Construction Company, Inc., that said instrument was signed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Judit V Radler
Notary



JUDIT V. RADLER
Notary Public of New Jersey
My Commission Expires Dec 22 1994

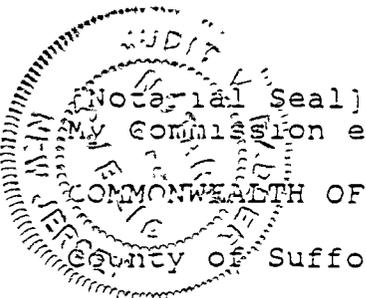
STATE OF NEW JERSEY)

) SS.:

County of Morris)

On this 6th day of September, 1991, before me personally appeared RICHARD BERNARDI, to me personally known, who, being by me duly sworn, says that he is a PRESIDENT of Virotech Systems, Inc., that said instrument was signed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Judit V Radler
Notary



JUDIT V. RADLER
Notary Public of New Jersey
My Commission Expires Dec 22 1994

COMMONWEALTH OF MASSACHUSETTS)

) SS.:

County of Suffolk)

On this _____ day of _____, 1991, before me personally appeared _____, to me personally known, who, being by me duly sworn, says that he is a Senior Vice President of BOT Financial Corporation, that said instrument was signed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary

[Notarial Seal]
My Commission expires:

THE ADDITIONAL TERMS AND CONDITIONS IN ANY LOAN SCHEDULE AND IN ANY OTHER RIDERS HERETO EXECUTED BY DEBTOR AND LENDER ARE INCORPORATED IN AND MADE PART OF THIS AGREEMENT.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Agreement by their duly authorized officers as of the date first above written.

R. J. LONGO CONSTRUCTION COMPANY, INC.

By: _____
Title:

VIROTECH SYSTEMS, INC.

By: _____
Title:

BOT FINANCIAL CORPORATION

By: *Sam R. Rustens* *ERW*
Title: Senior Vice President

STATE OF NEW JERSEY)
) SS.:
County of Morris)

On this ____ day of _____, 1991, before me personally appeared _____, to me personally known, who, being by me duly sworn, says that he is a _____ of R. J. Longo Construction Company, Inc., that said instrument was signed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary

[Notarial Seal]
My Commission expires:

STATE OF NEW JERSEY)
) SS.:
County of Morris)

On this ____ day of _____, 1991, before me personally appeared _____, to me personally known, who, being by me duly sworn, says that he is a _____ of Virotech Systems, Inc., that said instrument was signed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary

[Notarial Seal]
My Commission expires:

COMMONWEALTH OF MASSACHUSETTS)
) SS.:
County of Suffolk)

On this 6th day of September, 1991, before me personally appeared Gary L. Christensen, to me personally known, who, being by me duly sworn, says that he is a Senior Vice President of BOT Financial Corporation, that said instrument was signed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

G. M. Lewis
Notary

[Notarial Seal]
My Commission expires: 1/4/96



LOAN SCHEDULE

Loan Schedule No. One to Master Loan and Security Agreement (the "Agreement") dated as of September 5, 1991 between R. J. Longo Construction Company, Inc. and Virotech Systems, Inc., each a New Jersey corporation and collectively a Joint Venture, doing business under the additional name of EPIC ("Debtor") and BOT Financial Corporation ("Lender"). All capitalized terms used herein shall have the meanings assigned to said terms in the Agreement.

1. Description of Equipment to be financed pursuant to this Loan Schedule:

<u>Qty.</u>	<u>New/Used</u>	<u>Make/Manufacturer and Description</u>
200	New	Berwick Articulated Skeleton Container Rail Cars - ICC Registration Mark "EPIX" Numbers 91001 - 91200

2. Location of Equipment: Denville, New Jersey

3. Percentage of Cost of Equipment to be financed by Lender: 100%

4. Lender's Commitment for Loans to be made pursuant to this Loan Schedule is \$11,700,000

5. Maximum Note Amount: \$2,000,000

5. The Commitment Expiration Date for Loans to be made pursuant to this Loan Schedule is January 31, 1992

6. Each Loan made pursuant to this Loan Schedule prior to October 1, 1991 shall bear interest from the date thereof on the unpaid principal amount thereof at a rate per annum equal to eleven percent (11.0%) and each Loan made pursuant to this Loan Schedule on or after October 1, 1991 shall bear interest from the date thereof on the unpaid principal amount thereof at a rate per annum equal to the sum of (i) the yield for the United States Treasury Note with a maturity of five (5) years from, and as stated in the Telerate Index, one (1) day prior to the date of such Loan plus (ii) 3.60%. Principal on each such Loan shall be amortized using a one hundred and twenty (120) month amortization period and principal and interest on each such Loan shall be payable in sixty (60) consecutive monthly installments the original principal amount of such Loan and a last installment in an amount sufficient to discharge in

full the accrued interest on, and the entire unpaid principal of, the Note. Each such installment shall be due on the first day of each month, in advance. The first such installment shall be due on the Closing Date of such Loan, if such Closing Date is the first day of a month, or on the first day of the month next following such Closing Date if such Closing Date is not the first day of a month. If such Closing Date is other than the first day of a month, Debtor shall, on the first day of the next succeeding month, pay Lender interest in an amount equal to the product of (a) the original principal amount of such Loan times (b) the per annum interest rate determined above, times (c) a fraction with a numerator equal to the number of days from and including such Closing Date to, but not including, the first day of such next succeeding month over the denominator 360. In no event shall the rate of interest payable with respect to any Loan made pursuant to this Loan Schedule exceed the maximum rate of interest permitted by applicable law.

This Loan Schedule and its terms and conditions are hereby incorporated by reference in the Agreement.

Dated as of September 5, 1991

R. J. LONGO CONSTRUCTION COMPANY, INC.

By: _____

Title: _____

VIROTECH SYSTEMS, INC.

By: _____

Title: Pres.

BOT FINANCIAL CORPORATION

By: _____

Title: _____

full the accrued interest on, and the entire unpaid principal of, the Note. Each such installment shall be due on the first day of each month, in advance. The first such installment shall be due on the Closing Date of such Loan, if such Closing Date is the first day of a month, or on the first day of the month next following such Closing Date if such Closing Date is not the first day of a month. If such Closing Date is other than the first day of a month, Debtor shall, on the first day of the next succeeding month, pay Lender interest in an amount equal to the product of (a) the original principal amount of such Loan times (b) the per annum interest rate determined above, times (c) a fraction with a numerator equal to the number of days from and including such Closing Date to, but not including, the first day of such next succeeding month over the denominator 360. In no event shall the rate of interest payable with respect to any Loan made pursuant to this Loan Schedule exceed the maximum rate of interest permitted by applicable law.

This Loan Schedule and its terms and conditions are hereby incorporated by reference in the Agreement.

Dated as of September 5, 1991

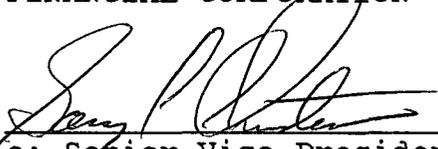
R. J. LONGO CONSTRUCTION COMPANY, INC.

By: _____
Title:

VIROTECH SYSTEMS, INC.

By: _____
Title:

BOT FINANCIAL CORPORATION

By:  _____ 
Title: Senior Vice President