

RECORDATION NO. 2040-B FILED

FEB 19 '98 11-05AM

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ELIAS C. ALVORD (1942)
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OF COUNSEL
URBAN A. LESER

RECEIVED
SURFACE TRANSPORTATION
BOARD

FEB 19 11 02 AM '98

February 19, 1998

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Loan Schedule No. 3, dated February 12, 1998, a secondary document as defined in the Board's Rules for the Recordation of Documents

The enclosed document relates to the Master Loan and Security Agreement No. 17667, previously filed with the Board under Recordation Number 20401.

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

Lender Center Capital Corporation
 4 Farm Springs Road
 Farmington, Connecticut 06032

Borrower Pioneer Railroad Equipment Co., Ltd
 1318 South Johanson Road
 Peoria, Illinois 61607

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

thirty-seven (37) railcars bearing ALAB reporting marks and road numbers set forth in the Loan Schedule

C. Quarter points - K. Bartman

Mr Vernon A Williams
February 19, 1998
Page 2

Also enclosed is a check in the amount of \$24 00 payable to the order of the
Surface Transportation Board covering the required recordation fees

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

Very truly yours,

A handwritten signature in black ink, appearing to read "R. Alvord", written in a cursive style.

Robert W Alvord

RWA/bg
Enclosures

SURFACE TRANSPORTATION BOARD
WASHINGTON, D. C. 20423-0001

OFFICE OF THE SECRETARY

Robert W. Alvord
Alvord and Alvord
918 Sixteenth Street, NW, Ste. 200
Washington, DC., 20006-2973

DATE: 2/19/98

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of 49 U.S.C. 11301
and 49 CFR 1177.3 (c), on 2/19/98 at 11:05AM, and
assigned recordation number(s). 20401-B.

Sincerely Yours,

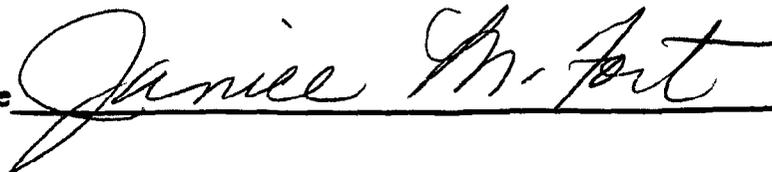


Vernon A. Williams
Secretary

Enclosure(s)

\$ 24.00 The amount indicated at the left has been received in payment of a fee in
connection with a document filed on the date shown. This receipt is issued for the amount paid.
In the event of an error or any questions concerning this fee, you will receive a notification after
the Surface Transportation Board has an opportunity to examine your document.

Signature



Loan Schedule No. 03

FEB 19 '98

11-05AM

LOAN SCHEDULE

THIS LOAN SCHEDULE (the "Schedule"), dated February 12, 1998, by and between PIONEER RAILROAD EQUIPMENT CO, LTD ("Borrower") and CENTER CAPITAL CORPORATION ("Lender") is issued pursuant to Master Loan and Security Agreement No 17667 dated October 23, 1996 (the "Agreement"), the terms and conditions of which are incorporated herein and made a part hereof by reference (Terms used herein as proper terms, i e with an initial capital letter, yet which are not defined herein, shall have the meanings ascribed to such terms in the Agreement)

To secure payment and performance of all Obligations and indebtedness of Borrower to Lender contained herein and in the Agreement, Borrower hereby grants to Lender a security interest in the goods, personal property and/or fixtures (the "Equipment") set forth below, together with all accessories, attachments, and accessions now or hereafter affixed thereto, and all substitutions, proceeds, insurance proceeds, and replacements thereof, plus any and all chattel paper, accounts, contract rights, and general intangibles arising from the sale, lease, or other disposition thereof

Equipment Description Seven (7) Insulated A346 70 ton Box Cars - Car Numbers ALAB 286002, ALAB 286073, ALAB 286298, ALAB 286393, ALAB 286394, ALAB 286496, and ALAB 286365

Thirty (30) 100 Ton Roller-Bearing Covered Hopper Cars - Car Numbers ALAB 302613, ALAB 304368, ALAB 304452, ALAB 305058, ALAB 305098, ALAB 305219, ALAB 305571, ALAB 305766, ALAB 306016, ALAB 306048, ALAB 306267, ALAB 306504, ALAB 306808, ALAB 306971, ALAB 308442, ALAB 308526, ALAB 308671, ALAB 308948, ALAB 309532, ALAB 309583, ALAB 311295, ALAB 311768, ALAB 312104, ALAB 313549, ALAB 314238, ALAB 314245, ALAB 314651, ALAB 309585, ALAB 453244, and ALAB 456802

All of the above include any and all accessories, accessions, substitutions, replacement parts, replacements, attachments, proceeds and insurance proceeds

Equipment Location 1318 South Johanson Road, Peoria, IL, 61607

Vendor Louisville Scrap Matenal Co , Inc , 301 E. Main Street, Louisville, KY 40202.

Approval Date February 10, 1998

FOR VALUE RECEIVED, Borrower promises to pay to the order of Lender, the principal sum of [REDACTED], together with interest on the portion thereof outstanding from time to time interest shall begin to accrue on the date upon which Lender advances funds in connection with this Schedule (the "Advancement Date") Installments (as described below) shall be payable in arrears commencing on the First Payment Due Date, or such later date as Lender may indicate below as the Commencement Date (As used herein, the term "First Payment Due Date" shall mean (i) the first day of the month immediately succeeding the Advancement Date, if the Advancement Date falls on any of the first fourteen (14) calendar days of a month, or (ii) the fifteenth (15th) day of the month immediately succeeding the Advancement Date if the Advancement Date falls on any calendar day of the month later than the fourteenth (14th) day of a month) Such installments shall continue on the same day of each and every month thereafter until the Loan is paid in full Borrower shall make [REDACTED] consecutive payments of principal and interest as follows [REDACTED] payments, each in the amount of [REDACTED] Interest shall be computed on the basis of a year equal to 360 days and actual days elapsed (including the first day but excluding the last) occurring in the period for which payable

9.096%
int
IAK

Commencement Date: _____

Concurrently with the execution of this Schedule, Borrower is delivering to Lender the amount of the Concurrent Payment shown below, the same to be held by Lender for the faithful performance of Borrower's obligations hereunder The Concurrent Payment may be commingled with Lender's general funds, may be held by Lender, at Lender's option, in a non-interest bearing account, and shall not be deemed a reduction of the principal sum of this Schedule, for the purpose of calculating interest or otherwise, until applied by Lender to the payment of the final monthly installment(s) Upon the occurrence of an Event of Default, Lender may, at its option, apply the Concurrent Payment to any of Borrower's obligations in such order as Lender may, in its sole discretion, determine

Concurrent Payment: [REDACTED]

TIME IS OF THE ESSENCE and if any payment is not made in full within ten (10) days of its due date, a late charge of five percent (5%) of the amount past due shall automatically become payable by Borrower, but in no event shall any late fee exceed an amount determined in strict accordance with any state of federal statute applicable hereto. Lender shall have no obligation to accept any payments hereunder not accompanied by all outstanding late payment fees. Borrower acknowledges that the late payment fee is not imposed as a charge for the use of money, but to permit Lender to offset its administrative expenses and other costs incurred in dealing with loans not paid on time. The late payment fee is in no way intended to be nor shall it be deemed to be an interest charge. In the event of a default under this Schedule or the Agreement, this Schedule shall become immediately due and payable.

Additional Repayment Terms

In the last line of section 2 of the Agreement, the word "lease" is deleted

In lines 9 and 10 of the Agreement, the clause, "duly qualified to do business in each jurisdiction where any Equipment is or is to be located" is deleted

In lines 3 and 4 of subsection 4(b), the clause "and shall permit the Equipment to be used only by trained and competent operators employed by Borrower" is deleted. At the end of subsection 4(b) insert a new sentence as follows: "Borrower shall use the Equipment for hauling freight (exclusive of any hazardous waste or explosive materials) and not as a storage device"

In lines 1 and 2 of subsection 4(g), the clause "in an amount not less than [REDACTED]" is deleted and replaced by the following: "not less than the original loan amount"

In subsection 4(h), after the first sentence and before the second, insert a new sentence as follows: "In the event of Lender's requiring assembly of the Collateral as provided in the preceding sentence, Lender shall also be entitled to require Borrower to remove any and all logos, decals, lettering, numbering, graffiti and similar markings from any or all of the Collateral, the same to be completed upon Lender's demand at the cost and expense of Borrower"

In line 2 of subsection 6(i) after the word "on" and before the word "the" insert "or within 10 days after"

At the end of subsection 6(iii) insert "within any applicable grace period"

In line 2 of the second paragraph of section 7, after the word "Borrower" and before the word "when", insert "within ten (10) days of the date"

At the end of section 11, insert a new sentence as follows: "In any event, Lender or its assignee shall provide written notice to Borrower subsequent to Lender's assignment hereof"

At the end of section 12, insert a new sentence as follows: "Once the Obligations under this Schedule are satisfied in full, Lender shall, upon receipt of Borrower's request, release any interest Lender may have in and to the Equipment described herein"

Lender and Borrower intend to conform to applicable usury laws and any interest or other amounts payable under this Schedule shall, if necessary, be subject to reduction to the highest amount not in excess of the maximum nonusurious amount allowed under such usury laws. It is the intention of both Borrower and Lender that this Schedule, having been negotiated (either telephonically or in person) with Lender at its executive offices in Connecticut, to be performed by Borrower's remittance of payment to Connecticut, and to have no effect until accepted by Lender at its Connecticut offices, shall be governed by and interpreted in accordance with the laws of the State of Connecticut.

Lender shall have the right to correct any patent errors in and to fill in any blanks left in this Schedule, in the Agreement or in any document executed in connection therewith. Any conflict between the terms of this Schedule and the Agreement shall be resolved in favor of the this Schedule.

Borrower and any and all others liable for all or any part of the Obligation evidenced hereby, severally waive presentment for payment, demand, notice of nonpayment and demand, protest, and notice of protest, acceleration or dishonor and agree that the time of payment hereof may be extended and any collateral given as security may be released, from time to time, one or more times, without notice of such thereof and without further consent.

In the event of commencement of suit to enforce payment or performance of this Schedule, Borrower shall pay Lender, in addition to the unpaid amounts due hereunder or under the Agreement, the expenditures incurred by Lender, including, without limitation, attorney(s)' fees and court costs.

loansch.not "fwd" 3/97 to 17667-03 PIONEER 9/97
[for use with Master Security Agreement: either Preprinted format or (master sec)]

NOT FOR USE IN: NEW HAMPSHIRE, VERMONT, NORTH CAROLINA, GEORGIA, TENNESSEE, TEXAS OR LOUISIANA

The delivery of this Schedule or any other agreement in connection herewith does not, absent express wording to such effect, constitute an offer to lend money. The credit approval underlying this borrowing is not perpetual and is subject to expiry should the Equipment not be delivered to and accepted in writing by Borrower within seventy-five (75) days of the Approval Date shown above or if any event described in section 12 of the Agreement occurs. In any such event, Lender's obligations to Borrower in connection herewith may cease in accordance with section 12 of the Agreement. In addition, if all items of Equipment are not delivered, installed and accepted within thirty (30) days of the Approval Date set forth above, Lender shall have the right to adjust the interest rate upon which the installment payments shown above are based to reflect increased costs of funds.

Borrower hereby represents to Lender that it is a commercial, non-consumer borrower, that the Equipment will not be used for personal, family or household purposes and, further, ratifies and affirms all of the covenants and provisions of the Agreement.

IN WITNESS WHEREOF, this Schedule is executed this x 17 day of February, 1998

PIONEER RAILROAD EQUIPMENT CO., LTD (BORROWER)

ADDRESS 1318 South Johanson Road, Peona, IL 61607

BY x [Signature]

Michael Carr

TITLE Treasurer

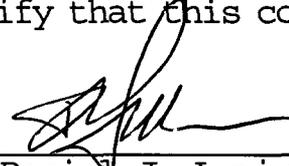
ACCEPTED CENTER CAPITAL CORPORATION (LENDER)
(NOT AN INDORSEMENT)

BY [Signature]

TITLE [Signature]

CERTIFICATION

I, Daniel J. Lemire, being Vice President of Contracts Administration and General Counsel of Center Capital Corporation, a Connecticut corporation, have reviewed the attached Loan Schedule No. 03 dated February 12, 1998 and hereby certify that this copy is a true and exact copy of the original.



Daniel J. Lemire
Vice President and
General Counsel

STATE OF CONNECTICUT)
COUNTY OF HARTFORD) SS:

On this 18th day of February 1998, before me a notary public the undersigned officer, personally appeared Daniel J. Lemire know to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand and official seal.



Notary Public

BARBARA L. AMES
NOTARY PUBLIC
MY COMMISSION EXPIRES JUNE 30, 2002

