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

OF COUNSEL
URBAN A LESTER

205559 A B C D

MAR 20 1997

March 19, 1997

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 Master Equipment Lease Agreement, dated as of November 29, 1996, a primary document as defined in the Board's Rules for the Recordation of Documents and two (2) copies of the following secondary documents related thereto Schedule Number 1 and Bill of Sale, both dated as of November 29, 1996, and Schedule Number 2 and Bill of Sale, both dated as of January 28, 1997

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

<u>Master Equipment Lease Agreement and Schedule Numbers 1 and 2</u>

Lessor — LaSalle National Leasing Corporation
135 South LaSalle Street
Chicago, Illinois 60603

Lessees — Relco Locomotives
113 Industrial Avenue
Minooka, Illinois 60442

Relco Finance Corporation
24425 South Kankakee Street
Manhattan, Illinois 60442

Jerico of Gonzales, Inc
24425 South Kankakee Street
Manhattan, Illinois 60442

Bills of Sale

Sellers Relco Locomotives
113 Industrial Avenue
Minnoka, Illinois 60442

Relco Finance Corporation
24425 South Kankakee Street
Manhattan, Illinois 60442

Jerico of Gonzales, Inc
24425 South Kankakee Street
Manhattan, Illinois 60442

Buyer LaSalle National Leasing Corporation
135 South LaSalle Street
Chicago, Illinois 60603

A description of the railroad equipment covered by the enclosed documents is

eight (8) RE locomotives identified on Schedule Number 1 and four (4) RE locomotives identified on Schedule Number 2

Also enclosed is a check in the amount of $120 00 payable to the order of the Surface Transportation Board covering the required recordation fee

Kindly return stamped copies of the enclosed documents to the undersigned

Very truly yours,

Robert W Alvord

RWA/bg
Enclosures

MAR 20 1997 -11 15 AM

SCHEDULE NUMBER 2 TO MASTER EQUIPMENT LEASE AGREEMENT DATED AS OF NOVEMBER 29, 1996, BETWEEN RELCO LOCOMOTIVES, INC., RELCO FINANCE CORPORATION AND JERICO OF GONZALES, INC., JOINTLY AND SEVERALLY, AS LESSEE AND LASALLE NATIONAL LEASING CORPORATION AS LESSOR

1. LEASE OF EQUIPMENT BY LESSOR TO LESSEE; GRANT OF SECURITY INTEREST. Subject to the terms of the above referenced Master Equipment Lease Agreement (the "Master Lease"), Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the units of personal property (individually, a "Unit" and collectively, the "Equipment") identified below, upon the terms and conditions hereafter set forth. Lessee hereby accepts such Equipment for lease hereunder, and evidences the lease of such Equipment.

Description of Equipment

Type	Road No	Current Sublessee's Name and Address	Location of Equipment	Monthly Rental	Cost of Unit
EMD-SW1200 1000 Hp 125 ton diesel locomotive	RE 1273	Luna Brothers P.O. Box 285 Chesterton, IN 46304	Burns Harbor, IN	$ 3,850.00	$261,388.50
EMD-SW1200 1000 Hp 125 ton diesel locomotive	RE 1266	Luna Brothers P.O. Box 285 Chesterton, IN 46304	Burns Harbor, IN	$ 3,850.00	$261,388.50
EMD-NW2 1000 Hp 125 ton diesel locomotive	RE 1611	Lone Star Industries, Inc. 8902 Vincennes Circle Suite A Indianapolis, IN 46268	New Orleans, LA	$ 1,650.00	$115,879.00
900 Hp 115 ton diesel locomotive	RE 0899	LaRoche Industries, Inc. 1100 Johnson Ferry Road, N.E. Atlanta, GA 30342	Morris, IL	$ 1,500.00	$105,344.00
TOTALS				$10,850.00	$744,000.00

LESSEE ACKNOWLEDGES THAT, AS A CONDITION TO THE EFFECTIVENESS OF THIS SCHEDULE AND BEFORE SIGNING THIS SCHEDULE, (i) LESSEE ACQUIRED THE EQUIPMENT IN USED CONDITION AND REHABILITATED AND/OR REBUILT THE EQUIPMENT TO ITS SPECIFICATIONS, (ii) LESSEE HAS TESTED AND OPERATED EACH ITEM OF SUCH EQUIPMENT AND IS FULLY SATISFIED AS TO ITS CONDITION, (iii) LESSEE HAS SOLD THE EQUIPMENT COVERED BY THIS SCHEDULE TO LESSOR, AND (iv) LESSEE, IN CONNECTION WITH ACQUIRING AND REHABILITATING OR REBUILDING THE EQUIPMENT HAS RECEIVED AND IS FULLY FAMILIAR WITH ALL PROMISES AND WARRANTIES, AND ANY DISCLAIMERS, LIMITATIONS OR MODIFICATIONS OF WARRANTIES, FROM ANY THIRD PARTIES RELATING TO THE EQUIPMENT OR ANY COMPONENTS THEREOF.

To secure all of Lessee's obligations to Lessor, Lessee hereby grants Lessor a security interest in and to all of Lessee's right, title and interest, if any, in and to all of the following, whether now owned or hereafter acquired and wherever located: the Equipment; all accessories, parts, and other property now or hereafter affixed to, or used in connection with, the Equipment; all substitutions for and replacements of the Equipment; all accessions to the Equipment; and all proceeds of all of the foregoing and of all of the Equipment

2. LOCATION OF EQUIPMENT The Equipment is located at the addresses identified in the table set forth in Paragraph 1 above.

3. LESSEE'S WARRANTIES. Lessee represents and warrants to Lessor that: (a) all of its warranties in Section 4 of the Master Lease are true and correct as of the date hereof and (b) the lease of the Equipment identified herein by Lessee from Lessor is within Lessee's powers, has been duly authorized by all necessary corporate action, has received all necessary governmental approvals, and does not and will not contravene or conflict with any provision of law, or of any partnership or joint venture agreement, charter or bylaws of Lessee, or of any agreement, instrument or court or administrative order binding upon Lessee.

4. ACCEPTANCE OF UNITS. Lessee hereby accepts each Unit of the Equipment specified under Paragraph 1 above in its current condition and Lessee certifies that it has inspected each such Unit and is fully satisfied that each such Unit is in good operating condition and repair and otherwise suitable for Lessee's intended purposes. Lessee further acknowledges that it is relying entirely upon its own determination of the condition and suitability of each such Unit and that Lessor has made no representations or warranties whatsoever concerning any of the Equipment subject to this Schedule.

5. LEASE TERM. The term of lease of the Equipment described herein shall commence on the "Commencement Date", defined herein as February 1, 1997 and shall end eighty-four (84) months after the Commencement Date (the "Base Lease Term").

6. COST; AGGREGATE RENTAL AMOUNT. The "Cost" of each Unit shall be the cost of the acquisition, delivery and installation (if any) of such Unit, to be financed by Lessor and as set forth opposite the description of such Unit described herein. The "Aggregate Rental Amount" of the Equipment described herein shall be the total amount of rent payable by the Lessee during the lease term hereof. The "Aggregate Rental Amount" of a Unit shall be a pro rata share of the Aggregate Rental Amount of the Equipment covered by this Schedule, determined on the basis of the Cost of such Unit when compared to the aggregate Cost of all Units covered by this Schedule.

7. RENT and INTERIM RENT Rent for the Equipment, which Lessee agrees to pay, shall be payable in equal installments of Rent consisting of eighty four (84) equal monthly payments of $ 10,850.00 each.

Installments of Rent shall be payable on the first day of the month succeeding the Commencement Date of the Lease and on the same date of each succeeding month until fully paid. In the event that the first day of the month is on a Saturday or Sunday or other holiday on which banks are closed, the installment of rent shall be due on the next business day thereafter.

In consideration of Lessor's purchase of said Equipment, the Lessee does further agree that in the event that Lessor pays for any Equipment or makes any progress payments towards the purchase of any Equipment prior to the Commencement Date, the Lessee shall pay Interim Rent to Lessor. Interim Rent shall be equal to the amount funded and outstanding under this Schedule times the Interim Rate (which may change from time to time as hereinafter defined) divided by three hundred and sixty (360) times the actual number of days outstanding from the date of Lessor's payment to the vendor to the Commencement Date. Interim Rent shall begin to accrue, as of the date funds for the purchase of said Equipment are expended by Lessor, at an annual rate (the "Interim Rate") defined as the sum of the "Prime Rate" at LaSalle National Bank, Chicago, IL., or if not published by LaSalle National Bank, then at the Prime Rate published in *The Wall Street Journal*, plus one fourth of one percent (¼ of 1%). Lessee shall pay Lessor Interim Rent monthly in arrears on the first day of each month subsequent to the funding date until the Lease Commencement Date. Any outstanding accrued and unpaid Interim Rent shall be paid to Lessor on the Commencement Date.

8. CASUALTY VALUE. The "Casualty Value" of any Unit of Equipment, or the Equipment in total, covered by this Schedule shall mean, as of any Rent payment date, the Equipment Cost (as defined herein) for such Unit, or the Equipment in total (as applicable), multiplied by the Stipulated Value percentage of Cost as of any Rent payment date as shown in the attached Exhibit "A".

9. CONDITIONS OF LESSOR'S OBLIGATIONS. Lessor shall not be obligated to lease or make any payment with respect to any Unit under this Schedule unless at the date such payment is made or such lease commences, as the case may be: (a) all of Lessee's representations and warranties in Section 4 of the Master Lease shall be true and correct as though made as of such date; (b) no litigation or governmental proceedings shall be threatened or pending against Lessee or any subsidiary which in Lessor's opinion may to a material extent adversely affect the financial condition or continued operation of Lessee and its subsidiaries on a consolidated basis; (c) no Event of Default, or event which might mature into an Event of Default, shall have occurred or be continuing; and (d) Lessee shall have furnished in form and substance satisfactory to Lessor: (i) resolutions of the Board of Directors of Lessee, certified by its Secretary or an Assistant Secretary, authorizing the lease of such Units hereunder and the execution, delivery and performance of the Master Lease and this Schedule, together with an incumbency and signature certificate as to the officers executing the Master Lease and this Schedule, (ii) evidence of compliance with the insurance provisions of Section 8 of the Master Lease , (iii) a favorable opinion of counsel regarding the matters set forth in Section 4 of the Master Lease and Section 3 of this Schedule and (iv) such releases, financing statements, waivers and other documents as Lessor may reasonably request to insure that the Units will not be subject to any lien, charge, encumbrance, security interest or other similar interest not permitted under the Master Lease, and that no Unit will become a fixture to any real estate or an accession to any property not leased under the Master Lease .

10. PURCHASE OPTION. Provided that no Event of Default or event which might mature into an Event of Default has occurred and is then continuing, Lessee shall have the option, exercised by giving notice to Lessor in accordance with this Paragraph 10, on the last business day of the Base Lease Term, to (a) purchase the Equipment described herein for cash; (b) return all, but not less than all, of the Equipment to Lessor; or (c) continue to lease the Equipment at the renewal rental payments.

The purchase price of the Equipment under this Purchase Option Paragraph 10 (the "Equipment Purchase Price") shall be the Fair Market Value ("FMV") of the Equipment as of the date of purchase, provided, however, that if such Purchase Option is exercised at the end of the eighty four (84) month Base Lease Term, then such Equipment Purchase Price shall not be more than twenty percent (20%) of the Equipment's original Cost specified under Paragraph 1 above. For purposes of this Paragraph 10, FMV shall be deemed to be an amount equal to the sale price or rent obtainable for the expected remaining life of the Equipment in an arm's length transaction between a willing and informed buyer (lessee) and a willing and informed seller (lessor). If the parties are unable to agree on the FMV of the Equipment, then the Lessee shall, at Lessee's expense, obtain appraisal values from an independent appraiser selected by the Lessee and acceptable to Lessor, who must be associated with a professional organization of equipment or personal property appraisers, and the FMV appraisal shall be binding on the Lessor.

If Lessee desires to exercise the Purchase Option, it shall give Lessor written notice of its intention to purchase at least thirty (30) days before the expiration of the Base Lease Term.

Upon payment by Lessee to Lessor of the Equipment Purchase Price at such expiration, and upon payment by Lessee of all rent or any other amounts owing to Lessor under the Master Lease and this Schedule, Lessor shall transfer to Lessee, on an "as is, where is" basis, without representation or warranty of any kind, express or implied (except with respect to Lessor's own acts), whatever title to such Equipment Lessor may then have.

11. EARLY BUYOUT OPTION Provided no Event of Default or event which might mature into an Event of Default has occurred and is then continuing, Lessee may, at its option, effective as of the last day of the sixtieth (60th) month of the Base Lease Term (the "**Option Expiration Date**"), elect to cancel the Master Lease as to all (but not less than all) of the Equipment described in this Schedule and purchase all such Equipment. The purchase price of the Equipment under this option shall be $365,304.00, which is 49.1 % of the Cost of the Equipment, plus any applicable sales or use tax in connection with the sale. If Lessee desires to exercise this option, it shall give Lessor written notice of its intention to purchase at lease sixty (60) days prior to the Option Expiration Date. Upon payment by Lessee to Lessor of such purchase price on the Option Expiration Date, and upon payment by Lessee of all rent or any other amounts owing to Lessor under the Master Lease and this Schedule, Lessor shall transfer to Lessee, on an "**as is, where is**" **basis**, without representation or warranty of any kind, express or implied (except with respect to Lessor's liens and own acts), whatever title to such Equipment Lessor may then have.

12. GENERAL. This Schedule is executed and delivered in accordance with the Master Lease, the terms of which are incorporated herein by reference as if set forth herein, and this Schedule hereby becomes a part of the Master Lease. Any exhibit or rider attached hereto and initialed by the parties constitutes a part of this Schedule.

The terms of this Schedule, together with any exhibit or rider hereto and the Master Lease, constitute the entire understanding and agreement of the Lessor and Lessee with respect to the subject matter hereof, and may not be modified or rescinded except by a writing signed by Lessor and Lessee.

This Schedule is delivered at Chicago, Illinois as of the 28th day of January, 1997.

Lessor.

LaSalle National Leasing Corporation

By. _____
Title. _____

H. DUANE STEELBERG
SENIOR VICE PRESIDENT

Address: 135 South LaSalle Street
Chicago, Illinois 60603

Lessee.

Relco Locomotives, Inc.

By. _____
Title President

Address 113 Industrial Avenue
Minooka, Illinois 60447-0058

Relco Finance Corporation

By _____
Title President

Address: 24425 South Kankakee Street
Manhattan, Illinois 60442

Jerico of Gonzales, Inc.

By _____
Title President

Address: 24425 South Kankakee Street
Manhattan, Illinois 60442

EXHIBIT A ATTACHED TO AND MADE A PART OF THAT
CERTAIN SCHEDULE NO. 2 BETWEEN
RELCO LOCOMOTIVES, INC., RELCO FINANCE CORPORATION AND JERICO OF
GONZALES, INC., AS LESSEE AND
LASALLE NATIONAL LEASING CORPORATION AS LESSOR

PERIOD ENDING	NUMBER OF LEASE PAYMENTS MADE	STIPULATED VALUE AS A PERCENTAGE OF CAPITALIZED LEASE COST
Feb-01-97	0	
Mar-01-97	1	104.23000000
Apr-01-97	2	103 60259075
May-01-97	3	102 96715057
Jun-01-97	4	102.32559604
Jul-01-97	5	101 67543992
Aug-01-97	6	101 01906879
Sep-01-97	7	100 35403516
Oct-01-97	8	99 68076478
Nov-01-97	9	99 00112131
Dec-01-97	10	98.31271966
Jan-01-98	11	97 61595343
		96 91265340
Feb-01-98	12	
Mar-01-98	13	96 20049795
Apr-01-98	14	95 47984797
May-01-98	15	94 75065699
Jun-01-98	16	94 01081303
Jul-01-98	17	93 25854790
Aug-01-98	18	92 49547197
Sep-01-98	19	91 71987937
Oct-01-98	20	90 93544519
Nov-01-98	21	90 13998020
Dec-01-98	22	89 33186539
Jan-01-99	23	88 51473109
		87 68634232
Feb-01-99	24	
Mar-01-99	25	86 84516838
Apr-01-99	26	85.99479411
May-01-99	27	85 13516917
Jun-01-99	28	84.26711729
Jul-01-99	29	83.38884981
Aug-01-99	30	82.50202787
Sep-01-99	31	81 60491316
Oct-01-99	32	80 69829210
Nov-01-99	33	79 78292266
Dec-01-99	34	78 85714309
Jan-01-00	35	77 92170036
		76.97731212
Feb-01-00	36	
Mar-01-00	37	76 02239446
Apr-01-00	38	75 05765423
May-01-00	39	74 08303770
Jun-01-00	40	73 10143497
Jul-01-00	41	72 11110171
Aug-01-00	42	71 11367476
Sep-01-00	43	70 10745224
Oct-01-00	44	69 09112648
Nov-01-00	45	68 06752925
Dec-01-00	46	67 03502886
Jan-01-01	47	65 99228147
		64 94208191
Feb-01-01	48	
Mar-01-01	49	63 88286983
Apr-01-01	50	62 81326462
May-01-01	51	61 73320944
Jun-01-01	52	60 64703780
Jul-01-01	53	59 55309996
Aug-01-01	54	58.45295071
Sep-01-01	55	57.34497779
		56.22634500

EXHIBIT A ATTACHED TO AND MADE A PART OF THAT
CERTAIN SCHEDULE NO. 2 BETWEEN
RELCO LOCOMOTIVES, INC , RELCO FINANCE CORPORATION AND JERICO OF
GONZALES, INC., AS LESSEE AND
LASALLE NATIONAL LEASING CORPORATION AS LESSOR

PERIOD ENDING	NUMBER OF LEASE PAYMENTS MADE	STIPULATED VALUE AS A PERCENTAGE OF CAPITALIZED LEASE COST
Oct-01-01	56	55.10133191
Nov-01-01	57	53 96839293
Dec-01-01	58	52.82465751
Jan-01-02	59	51 67437009
Feb-01-02	60	50.51605289
Mar-01-02	61	49 34680041
Apr-01-02	62	48 16655283
May-01-02	63	46 97950352
Jun-01-02	64	45 78427331
Jul-01-02	65	44 58213889
Aug-01-02	66	43 37176157
Sep-01-02	67	42 15016417
Oct-01-02	68	40 92148222
Nov-01-02	69	39 68444824
Dec-01-02	70	38 43604834
Jan-01-03	71	37 18038059
Feb-01-03	72	35 91624986
Mar-01-03	73	34 64060499
Apr-01-03	74	33 35338299
May-01-03	75	32 05862760
Jun-01-03	76	30 75524855
Jul-01-03	77	29 44422561
Aug-01-03	78	28 12451214
Sep-01-03	79	26 79298045
Oct-01-03	80	25 45361232
Nov-01-03	81	24 10543714
Dec-01-03	82	22 74528804
Jan-01-04	83	21 37710677
Feb-01-04	84	20 00000000

CERTIFICATION

I, Andrew Connor, hereby certify that the attached photocopy of Schedule Number 2 to the Master Equipment Lease Agreement between LaSalle National Leasing Corporation, Relco Locomotive, Inc , Relco Finance Corporation and Jerico of Gonzales, Inc is a true and complete copy of the original document dated November 29, 1996

Andrew Connor

Sworn to before me this

17th day of MARCH, 1997

NOTARY SEAL

"OFFICIAL SEAL"
DARLENE M. WAGNER
Notary Public, State of Illinois
My Commission Expires 7/21/97