

MAR 28 '05 10-30 AM

SURFACE TRANSPORTATION BOARD

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ELLSWORTH C. ALVORD (1964)

OF COUNSEL
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March 28, 2005

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 Memorandum of Domestic Pledge and Security Agreement, dated as of March 24, 2005, a primary document as defined in the Board's Rules for the Recordation of Documents.

The Domestic Pledge and Security Agreement grants a security interest in all railcars, locomotives and other rolling stock whether currently owned or hereafter acquired by the Grantors named below:

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

Secured Party and

Collateral Agent:: General Electric Capital Corporation
120 Long Ridge Road
Stamford Connecticut 06927

Grantors:

Progress Rail Services Corporation
Railcar, Ltd.
Chemetron Railway Products, Inc.
FM Industries, Inc.
Kentuckiana Railcar Repair & Storage Facility,
LLC
Progress Metal Reclamation Company
Progress Rail Holdings Inc.
Progress Rail Services Holdings Corp.

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Progress Vanguard Corporation
S&L Railroad, LLC
Southern Machine and Tool Company
United Industries Corporation
West Virginia Auto Shredding, Inc.
P.O. Box 1037
Albertville, Alabama 35950

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

All rolling stock whether currently owned or hereafter acquired by the
Grantors.

A short summary of the document to appear in the index is:

Memorandum of Domestic Pledge and Security Agreement.

Also enclosed is a check in the amount of \$32.00 payable to the order of
the Surface Transportation Board covering the required recordation fee.

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

Very truly yours,



Robert W. Alvord

RWA/anm
Enclosures

MAR 28 '05 10:30 AM

MEMORANDUM OF DOMESTIC PLEDGE AND SECURITY AGREEMENT

SURFACE TRANSPORTATION BOARD

This Memorandum of Domestic Pledge and Security Agreement, dated as of March 24, 2005 (the "Memorandum"), is by and between General Electric Capital Corporation ("GECC"), as U.S. Collateral Agent, and Progress Rail Services Holdings Corp., Progress Metal Reclamation Company, West Virginia Auto Shredding, Inc., Progress Rail Services Corporation, Progress Rail Holdings, Inc., FM Industries, Inc., Southern Machine and Tool Company, Railcar, Ltd., Chemetron Railway Products, Inc., United Industries Corporation, Kentuckiana Railcar Repair & Storage Facility, LLC, Progress Vanguard Corporation, and S&L Railroad, LLC (each a "Grantor").

1. GECC and each Grantor have entered into a Domestic Pledge and Security Agreement, dated as of March 24, 2005 (the "Agreement").

2. Pursuant to the Agreement, each Grantor hereby grants and continuing lien on all of such Grantor's right, title and interest in and to the property of such Grantor including, but not limited to the following: all real and personal property owned or existing or hereafter acquired or arising and wherever located, including locomotives, or other rolling stock, or accessories used on such other rolling stock (including superstructures and racks), intend to be used in interstate commerce ("Railroad Equipment").

STB
COPY

3. The terms defined in the Agreement and not otherwise defined herein have, as used herein, the respective meanings provided for in the Agreement.

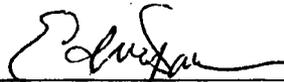
4. The security interest granted by each Grantor to GECC through this Memorandum with respect to any Railroad Equipment Inventory that is sold by any Grantor in the ordinary course of business as provided in Section 6.03 of the Credit Agreement shall terminate pursuant to the provisions of Article 9 of the UCC.

5. Attached hereto as Attachment 1 is the form of Partial Release to be used to terminate the security interest granted by each Grantor to GECC through this Memorandum with respect to Railroad Equipment that is not sold in the ordinary course of business, but which may be sold, transferred, leased or otherwise disposed of as provided in Section 6.03 of the Credit Agreement.

6. This document may be signed in any number of counterparts, each of which shall be an original and all of which shall be a part of this Memorandum of Domestic Pledge and Security Agreement.

IN WITNESS WHEREOF, each of the parties hereto has caused this MEMORANDUM OF DOMESTIC PLEDGE AND SECURITY AGREEMENT to be executed by its duly authorized officer as of the date first above written.

GENERAL ELECTRIC CAPITAL
CORPORATION,
as the Administrative Agent

By: 
Name: *Edward N. Parkes IV*
Title: *Vice President*

PROGRESS RAIL SERVICES HOLDINGS CORP.
PROGRESS RAIL CANADA CORPORATION
PROGRESS RAIL TRANSCANADA
CORPORATION
PROGRESS METAL RECLAMATION
COMPANY
WEST VIRGINIA AUTO SHREDDING, INC.
PROGRESS RAIL SERVICES CORPORATION
PROGRESS RAIL HOLDINGS, INC.
FM INDUSTRIES, INC.
SOUTHERN MACHINE AND TOOL COMPANY
RAILCAR, LTD.
CHEMETRON RAILWAY PRODUCTS, INC.
UNITED INDUSTRIES CORPORATION

PROGRESS VANGUARD CORPORATION
S&L RAILROAD, LLC

By: _____
Name:
Title:

STATE OF New York)
) ss.
County of New York)

On this 22nd day of March, 2005, before me, Daphne E. Bruce, the undersigned Notary Public, personally appeared Edward N. Pintas III personally known to me to be the person who executed the within instrument as duly authorized signatory on behalf of the corporation therein named, and acknowledged to me that the corporation executed it.

Daphne E. Bruce
Notary Public for New York State
My Commission expires March 25, 2006

DAPHNE E. BRUCE
Notary Public - State of New York
NO. 01BR5057734
Qualified in Kings County
My Commission Expires March 25, 2006

STATE OF _____)
) ss.
County of _____)

On this ___ day of March, 2005, before me, _____, the undersigned Notary Public, personally appeared _____ personally known to me to be the person who executed the within instrument as _____ on behalf of the corporation therein named, and acknowledged to me that the corporation executed it.

Notary Public for _____
My Commission expires _____

IN WITNESS WHEREOF, each of the parties hereto has caused this MEMORANDUM OF DOMESTIC PLEDGE AND SECURITY AGREEMENT to be executed by its duly authorized officer as of the date first above written.

GENERAL ELECTRIC CAPITAL CORPORATION,
as the Administrative Agent

By: _____
Name:
Title:

PROGRESS RAIL SERVICES HOLDINGS CORP.
PROGRESS METAL RECLAMATION COMPANY
WEST VIRGINIA AUTO SHREDDING, INC.
PROGRESS RAIL SERVICES CORPORATION
PROGRESS RAIL HOLDINGS, INC.
FM INDUSTRIES, INC.
SOUTHERN MACHINE AND TOOL COMPANY
RAILCAR, LTD.
CHEMETRON RAILWAY PRODUCTS, INC.
UNITED INDUSTRIES CORPORATION
STORAGE FACILITY, LLC
PROGRESS VANGUARD CORPORATION
S&L RAILROAD, LLC

By: William H. Wangerin Jr.
Name:
Title:

KENTUCKIANA RAILCAR REPAIR & STORAGE
FACILITY, LLC

By: Progress Rail Services Corporation, as Member

By: William H. Wangerin Jr.
Name:
Title:

By: United Industries Corporation, as Member

By: William H. Wangerin Jr.
Name:
Title:

STATE OF NEW YORK)
) ss.
County of NEW YORK)

On this 24th day of March, 2005, before me, CHARLES M. CALVARUSO, the undersigned Notary Public, personally appeared WILLIAM WANCERIN personally known to me to be the person who executed the within instrument as SENIOR VICE PRESIDENT on behalf of the corporation therein named, and acknowledged to me that the corporation executed it.

Charles M. Calvaruso

Notary Public for _____
My Commission expires _____

STATE OF NEW YORK)
) ss.
County of NEW YORK)

CHARLES M. CALVARUSO
Notary Public, State of New York
No. 31-4818473
Qualified in New York County
Commission Expires August 31, 2006

On this 24th day of March, 2005, before me, CHARLES M. CALVARUSO, the undersigned Notary Public, personally appeared WILLIAM WANCERIN personally known to me to be the person who executed the within instrument as SENIOR VICE PRESIDENT on behalf of the corporation therein named, and acknowledged to me that the corporation executed it.

Charles M. Calvaruso

Notary Public for _____
My Commission expires _____

CHARLES M. CALVARUSO
Notary Public, State of New York
No. 31-4818473
Qualified in New York County
Commission Expires August 31, 2006

ATTACHMENT 1

PARTIAL TERMINATION

This Partial Termination dated as of _____, 200_ is executed by General Electric Capital Corporation, as Administrative Agent.

WHEREAS, General Electric Capital Corporation, as Administrative Agent, and Progress Rail Services Holdings Corp., Progress Rail Canada Corporation, Progress Rail Transcanada Corporation, Progress Metal Reclamation Company, West Virginia Auto Shredding, Inc., Progress Rail Services Corporation, Progress Rail Holdings, Inc., FM Industries, Inc., Southern Machine and Tool Company, Railcar, Ltd., Chemetron Railway Products, Inc., United Industries Corporation, Kentuckiana Railcar Repair & Storage Facility, LLC, Progress Vanguard Corporation, and S&L Railroad, LLC are parties to that certain Memorandum of Domestic Pledge and Security Agreement dated as of March __, 2005 (the "Memorandum"), which has been recorded with the Surface Transportation Board (the "Board") on March __, 2005 at __: __ .m. under Recordation Number 2 _____; and

WHEREAS, the duties and obligations of the parties to the Memorandum have been satisfied and discharged with respect to the property listed on Schedule I attached hereto;

NOW, THEREFORE, in consideration of the promises and covenants in the document set forth above by reference, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the authority to issue and execute this document, intending to be legally bound, the Administrative Agent hereby releases the security interest and continuing lien on the property listed on Schedule I as attached hereto.

IN WITNESS WHEREOF, the Administrative Agent has caused this Partial Termination to be duly executed as of the date hereinabove first written.

General Electric Capital Corporation,
as Administrative Agent.

By: _____
Title: _____

SCHEDULE I

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: _____

3/28/05



Robert W. Alvord