

County of - Edom Linn

ALVORD AND ALVORD
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RECORDATION NO. 20749 FILED ←

JUN 30 '97 4-00PM

OF COUNSEL
URBAN A. LESTER

RECORDATION NO. 20749-A, B FILED

JUN 30 '97 4-00PM

June 30, 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 Memorandum of Lease Agreement, dated as of June 30, 1997, a primary document as defined in the Board's Rules for the Recordation of Documents, together with two (2) copies of the following secondary documents related thereto: a Memorandum of Lease Agreement (a sublease), dated as of June 10, 1997, and a Memorandum of Assignment Agreement, dated as of June 30, 1997.

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

Memorandum of Lease Agreement

Lessor: The CIT Group/Equipment Financing, Inc.
1211 Avenue of the Americas
New York, New York 10036

Lessee: JAIX Leasing Company
980 North Michigan Avenue, Suite 1000
Chicago, Illinois 60611

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BOARD

Mr. Vernon A. Williams
June 30, 1997
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Memorandum of Lease Agreement (Sublease)

Lessor: JAIX Leasing Company
980 North Michigan Avenue, Suite 1000
Chicago, Illinois 60611

Lessee: Southern Illinois Railcar Company
One Mark Twain Bank Plaza, Suite 225
Edwardsville, Illinois 62025

Memorandum of Assignment Agreement

Assignor: JAIX Leasing Company
980 North Michigan Avenue, Suite 1000
Chicago, Illinois 60611

Assignee: The CIT Group/Equipment Financing, Inc.
1211 Avenue of the Americas
New York, New York 10036

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

Ninety-six (96) gondola railcars bearing reporting marks and road numbers SIRX 200000 through SIRX 200095, inclusive

Also enclosed is a check in the amount of \$72.00 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

JUN 30 '97

4-00PM

FINAL VERSION

MEMORANDUM OF LEASE AGREEMENT

This Memorandum of Lease Agreement is made and entered into as of June 30, 1997, by and between The CIT Group/Equipment Financing, Inc. ("Lessor") and JAIX Leasing Company ("Lessee"), respecting that certain Railcar Equipment Lease dated as of June 10, 1997 (the "Lease") and Rider 1 thereto dated as of June 10, 1997 ("Rider 1") between Lessor and Lessee.

Pursuant to the provisions of the Lease and Rider 1, Lessor and Lessee hereby acknowledge and affirm that:

1. For good and valuable consideration, Lessor is leasing to Lessee and Lessee is leasing from Lessor ninety-six (96) Mill Gondola cars marked SIRX 200000 through SIRX 200095 inclusive (the "Railcars").

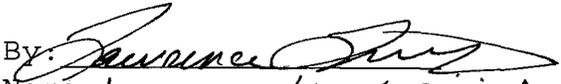
2. The term of the Lease for any Railcar under Rider 1 shall commence on ~~June 1~~ ^{July 1}, 1997 and shall terminate no later than ~~June 30, 1998~~ ¹⁹⁹⁹, provided that the Lease may be sooner terminated as provided therein.

3. Lessor and Lessee further acknowledge and affirm that this Memorandum of Lease Agreement is not a summary of either the provisions thereof. Accordingly, Lessor and Lessee hereby agree that in the event of a conflict between this Memorandum of Lease Agreement and the provisions of the Lease or Rider 1, the provisions of the Lease or Rider 1, as the case may be, shall control.

4. This Memorandum of Lease Agreement may be executed by the parties hereto in any number of counterparts, and all counterparts taken together shall be deemed to constitute one instrument.

IN WITNESS WHEREOF, each of the parties hereto,
pursuant to due corporate authority, has caused this Memorandum
of Lease Agreement to be duly executed in its corporate name by
its officers, thereunto duly authorized, all as of the date first
written.

THE CIT GROUP/EQUIPMENT
FINANCING, INC.

By: 
Name: Lawrence Littlefield
Title: Vice President

JAIX LEASING COMPANY

By: _____
Name:
Title:

STATE OF NEW YORK)
)
) SS:
COUNTY OF NEW YORK)

On this 24th day of June, 1997, before me personally appeared Lawrence Littlefield, to me personally known, who being by me duly sworn, says that s/he is a Vice President of THE CIT GROUP/EQUIPMENT FINANCING, INC., that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and s/he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Barbara Garner
Notary Public

[NOTARIAL SEAL]

BARBARA GARNER
Notary Public, State of New York
No. 01GA5065133
Resides in Nassau County
Qualified in New York County
Expires Sept. 3, 1998

My Commission Expires: _____

STATE OF ILLINOIS)
)
) SS:
COUNTY OF COOK)

On this ___ day of June, 1997 before me personally appeared _____, to me personally known, who being duly sworn, says that s/he is a _____ of JAIX LEASING COMPANY, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and s/he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[NOTARIAL SEAL]

My Commission Expires: _____

06-20-97 11:57AM

FROM HAIGHT GARDNER NY

TO 13122804820

P019

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due corporate authority, has caused this Memorandum of Lease Agreement to be duly executed in its corporate name by its officers, thereunto duly authorized, all as of the date first written.

THE CIT GROUP/EQUIPMENT
FINANCING, INC.

By: _____
Name:
Title:

JAIX LEASING COMPANY

By: *David Reesmeyer*
Name: *David Reesmeyer*
Title: *Treasurer*

#13

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On this ___ day of June, 1997, before me personally appeared _____, to me personally known, who being by me duly sworn, says that s/he is a _____ of THE CIT GROUP/EQUIPMENT FINANCING, INC., that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and s/he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation

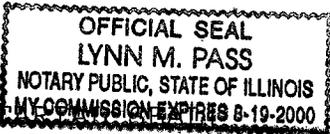
Notary Public

[NOTARIAL SEAL]

My Commission Expires: _____

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

On this 17th day of June, 1997 before me personally appeared David W. Kesmeyer, to me personally known, who being duly sworn, says that s/he is a Treasurer of JAIX LEASING COMPANY, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and s/he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Lynn M. Pass
Notary Public

My Commission Expires: 8-19-2000

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS, that JAIX LEASING COMPANY, a Delaware corporation ("Seller"), in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration paid by THE CIT GROUP/ EQUIPMENT FINANCING, INC., a New York corporation ("Purchaser"), the receipt whereof is hereby acknowledged, does hereby bargain, sell and deliver unto Purchaser all of Seller's right, title and interest in and to the equipment (the "Equipment") listed and described in Schedule A attached hereto and made a part hereof.

Seller hereby warrants to Purchaser, its successors and assigns that there is hereby conveyed to Purchaser on the date hereof good title to the Equipment free and clear of all liens, encumbrances and rights of others arising by, through or under Seller except (a) the Lease Agreement dated as of May 8, 1996, as the same may be amended, modified and supplemented from time to time, between Seller and Southern Illinois Railcar Company and (b) liens and encumbrances permitted pursuant to said Lease Agreement, including without limitation any sublease by Seller of the Equipment, and that Seller will warrant and defend such title forever against all claims and demands whatsoever.

EXCEPT FOR THE FOREGOING REPRESENTATIONS AND WARRANTIES, PURCHASER ACKNOWLEDGES AND AGREES THAT (i) THE EQUIPMENT IS BEING SOLD TO PURCHASER BY SELLER "AS-IS" "WHERE-IS", WITHOUT ANY OTHER REPRESENTATIONS AND WARRANTIES, WHETHER WRITTEN, ORAL OR IMPLIED, (ii) SELLER SHALL NOT, BY VIRTUE OF HAVING SOLD THE EQUIPMENT HERewith, BE DEEMED TO HAVE MADE ANY REPRESENTATION OR WARRANTY AS TO THE MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OPERABILITY, DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP IN, THE EQUIPMENT, AND (iii) NEITHER SELLER NOR ANY OF ITS OFFICERS, DIRECTORS, EMPLOYEES OR REPRESENTATIVES HAS MADE OR WILL BE DEEMED TO HAVE MADE ANY TERM, CONDITION, REPRESENTATION, WARRANTY OR COVENANT EXPRESSED OR IMPLIED (WHETHER STATUTORY OR OTHERWISE) AS TO THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, KNOWN OR UNKNOWN, APPARENT OR CONCEALED, EXTERIOR OR INTERIOR, OR THE ABSENCE OF ANY INFRINGEMENT OF ANY PATENT, TRADEMARK, COPYRIGHT OR OTHER INTELLECTUAL PROPERTY RIGHTS.

This Bill of Sale is being executed and delivered pursuant to the Agreement to Purchase and Lease dated as of June 10, 1997 between Seller and Purchaser (the "Purchase Agreement"), to which reference is hereby made for additional provisions respecting the sale and assignment covered hereby. All capitalized terms used herein which are not otherwise defined herein shall have the same meanings and the same rules of interpretation as in the Purchase Agreement.

IN WITNESS WHEREOF, Seller has caused this Bill of Sale
to be duly executed in its name by its duly authorized officer,
this day of June, 1997.

JAI X LEASING COMPANY

By: 

Its: ~~David W. Riesmeyer~~
Treasurer
JAI X Leasing Company