

LAW OFFICES
MILES & STOCKBRIDGE

A PROFESSIONAL CORPORATION

CAMBRIDGE, MD
EASTON, MD
FREDERICK, MD

10 LIGHT STREET
BALTIMORE, MARYLAND 21202-1487

TELEPHONE 410-727-6464
FAX 410-385-3700

McLEAN, VA
ROCKVILLE, MD
TOWSON, MD
WASHINGTON, D.C.

JOHN A. STALFORT
410-385-3424

August 14, 1997

via FEDERAL EXPRESS

Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001
Attention: Mrs. Janice Fort
Recordation

RECORDATION NO. 20820 FILED
AUG 18 '97 11-11 AM
RECORDATION NO. 20820-A FILED
AUG 18 '97 11-11 AM
AUG-18 11 11 AM '97

RECEIVED
SURFACE TRANSPORTATION
BOARD

Re: Our File No. 258-1733

Mrs. Fort:

Enclosed for recordation as a primary document pursuant to the provisions of 49 U.S.C. §11301(a) are one original and one notarized copy of the following document:

Lease Agreement dated December 30, 1996 between Southern Illinois Railcar Company (505 Buckeye Drive, Troy, Illinois 62294) and Royal Green Corporation (Huller Lane, Temple, Pennsylvania 19560).

Also enclosed for filing as a secondary document pursuant to the provisions of 49 U.S.C. §11301(a) are one original and one notarized copy of the following document:

Memorandum of Assignment of Lease dated as of August 1, 1997 between Southern Illinois Railcar Company (505 Buckeye Drive, Troy, Illinois 62294) and The First National Bank of Maryland (25 South Charles Street, Baltimore, Maryland 21201) which relates to the above-referenced Lease.

Upon assigning the recordation numbers to the Second Amendment to Loan Agreement, Chattel Mortgage and Security Agreement and the OmniSource Memorandum of Lease (both enclosed in this package under separate covers) and the above-referenced Royal Green Lease Agreement, please complete the blanks on page

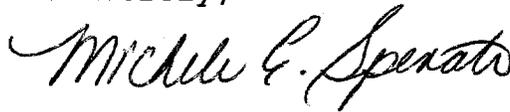
1 of the Memorandum of Assignment of Lease with that information before filing this document.

Also enclosed are two checks, both in the amount of \$24.00 to cover the costs of recording these documents.

Once these documents have been recorded, please return the same to the undersigned.

Thank you for your prompt attention to this matter. Please call me at (410) 385-3525 if you have any questions.

Sincerely,



Michele E. Sperato
Secretary to John A. Stalfort

Enclosure

AUG 18 '97

11-11 AM

MEMORANDUM OF
ASSIGNMENT OF LEASE

THIS MEMORANDUM OF ASSIGNMENT OF LEASE ("Memorandum") dated as of August 1, 1997, between SOUTHERN ILLINOIS RAILCAR COMPANY, an Illinois corporation, with an office at Executive Park Two, 505 Buckeye Drive, Troy, IL 62294 ("SIRC") and THE FIRST NATIONAL BANK OF MARYLAND, a national banking association, with an office at 25 South Charles Street, 15th Floor, Mail Code: 101-460, Baltimore, Maryland 21201 ("Bank").

SIRC and Bank hereby state the following:

1. SIRC and Bank are parties to that certain Loan Agreement, Chattel Mortgage and Security Agreement dated June 30, 1992 (the "Original Loan Agreement"), pursuant to which Bank agreed to make SIRC the loan described in the Original Loan Agreement (the "Original Loan"). SIRC and Bank entered into a First Amendment to Loan Agreement, Chattel Mortgage and Security Agreement dated December 23, 1994 (the "First Amendment") pursuant to which Bank released certain railcars given as collateral to secure the Original Loan and certain other railcars were substituted as collateral to secure the Original Loan. The Original Loan Agreement and First Amendment were recorded with the Surface Transportation Board (formerly the Interstate Commerce Commission) on July 1, 1992 under Recordation No. 17850-B and on December 27, 1994 under Recordation No. 17850-C, respectively.

2. SIRC and Bank are now parties to that certain Second Amendment to Loan Agreement, Chattel Mortgage and Security Agreement dated August 1, 1997 (the "Second Amendment"), pursuant to which Bank has loaned SIRC additional amounts under the Original Loan and has agreed to release certain railcars given as collateral to secure the Original Loan and permit substitution of certain other railcars as collateral to secure the Original Loan and the new portion thereof (collectively the "Loan"). SIRC and Bank have recorded the Second Amendment with the Surface Transportation Board on 8-18-, 1997, and assigned recordation number 20820-A.

3. SIRC, as lessor, and Royal Green Corporation ("Royal") as lessee, are parties to that certain Lease Agreement dated as of December 30, 1996, pursuant to which SIRC agreed to lease railcars to Royal (the "Royal Lease"), 20820-A which was recorded with the Surface Transportation Board on 8-18-, 1997, and assigned recordation number 20820-A. SIRC, as lessor, and OmniSource Corporation ("OmniSource") as lessee, are parties to that certain Lease Agreement dated as of October 28, 1996, pursuant to which SIRC agreed to lease railcars to OmniSource (the "OmniSource Lease"), a memorandum of which was recorded with the Surface Transportation Board on 8-18-, 1997, and assigned recordation number 20820-A. The railcars leased to Royal and OmniSource under the Royal Lease and OmniSource Lease (collectively, the "Leases") are hereinafter referred to as the "Leased Railcars".

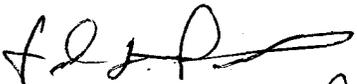
4. The Leased Railcars are more particularly listed on Exhibit A attached hereto.

5. To secure the payment and performance of any and all of SIRC's obligations to Bank, SIRC has assigned to Bank, for collateral security purposes only, and has granted to Bank a continuing first priority security interest in, and chattel mortgage lien on, all of SIRC's right, title and interest in and to, among other things, the Leases, all rental payments and other sums due and to become due and payable by Royal and OmniSource from time to time thereunder.

6. Pursuant to a Consent and Agreement Royal consented to the assignment by SIRC to Bank of SIRC's right, title and interest in and to the Royal Lease. Pursuant to a Consent and Agreement OmniSource consented to the assignment by SIRC to Bank of SIRC's right, title and interest in and to the OmniSource Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum as of the day and year first above written.

**SOUTHERN ILLINOIS RAILCAR
COMPANY**

By: 
Print Name: Fred L. Parsons
Title: President

FIRST NATIONAL BANK OF MARYLAND

By: 
Print Name: Richard M. Folio
Title: Assistant Vice President

STATE OF ILLINOIS)
) SS
COUNTY OF Madison)

I, Janice A. Tweedy, a Notary Public in and for said State, certify that FRED L. PARSONS, personally known to me to be the President of SOUTHERN ILLINOIS RAILCAR COMPANY, an Illinois corporation, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person; that said FRED L. PARSONS acknowledged the execution of said instrument as his free and voluntary act and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 31st day of July, 1997.



Janice A. Tweedy
Notary Public

My commission expires:
February 23, 2000

STATE OF MD)
) SS
COUNTY OF BALTO)

I, Michelle E. Sperato, a Notary Public in and for said State, certify that Richard M. Folio, personally known to me to be the AUP of FIRST NATIONAL BANK OF MARYLAND, a national banking association, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person; that said Richard M. Folio acknowledged the execution of said instrument as his free and voluntary act and as the free and voluntary act and deed of said association, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 1st day of August, 1997.

Michelle E. Sperato
Notary Public

My commission expires: January 28, 2001

EXHIBIT A

Railcars leased to OmniSource:

SIRX 380127
SIRX 380128
SIRX 380129
SIRX 380130
SIRX 380131
SIRX 380132

Railcars leased to Royal Green:

SIRX 380133
SIRX 380134
SIRX 380135
SIRX 380136
SIRX 380137

20820-A

STATE OF MARYLAND

SS:

CITY OF BALTIMORE

THIS IS TO CERTIFY that the attached Memorandum of Assignment of Lease is a true and complete copy of such Memorandum of Assignment of Lease.

WITNESS my hand and seal this 13th day of August, 1997.

Michelle E. Sperato
Notary Public

My Commission Expires: January 28, 2001