

*Adl.*  
*Counter part -*

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

RECORDATION NO. 22005 FILED  
JAN 29 '99 11-30AM

OF COUNSEL  
URBAN A. LESTER

RECORDATION NO. 22005-A FILED  
JAN 29 '99 11-30AM

January 29, 1999

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 Loan Agreement and Security Agreement, dated as of January 27, 1999, a primary document as defined in the Board's Rules for the Recordation of Documents, and a Memorandum of Full Recourse Assignment Agreement, dated January 27, 1999, a secondary document related thereto.

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

Borrower/ Assignor: LLX Rail, Inc.  
1200 South State Street  
Chicago Heights, Illinois 60411

Secured Party/ Assignee: Charter Financial, Inc.  
153 East 53<sup>rd</sup> Street  
New York, New York 10022

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

One (1) locomotive LLX 155

Mr. Vernon A. Williams  
January 29, 1999  
Page 2

Also enclosed is a check in the amount of \$52.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of the enclosed documents to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/bg  
Enclosures

JAN 29 '99 11-30AM

**MEMORANDUM OF FULL RECOURSE ASSIGNMENT AGREEMENT**

THIS MEMORANDUM, dated as of January 27, 1999 is made by and between Charter Financial, Inc. a New York corporation with an office at 153 East 53<sup>rd</sup> Street, New York, New York 10022 ("Charter"), and LLX Rail, Inc., an Illinois corporation, with its chief executive office and principal place of business at 1200 South State Street, Chicago Heights, Illinois 60411 (the "Seller").

Seller and Charter hereby state the following:

1. Seller and Charter are parties to that certain Full Recourse Assignment Agreement dated as of January 27, 1999 (the "Purchase Agreement"), whereby Seller, sold, assigned, transferred and conveyed to Charter, all of Seller's right, title and interest in, to and under the Locomotive Lease Agreement dated August 1, 1998, between LLX Rail, Inc. and Formosa Plastics Corporation, Louisiana. as lessee.
2. Said Locomotive Lease Agreement extends to the locomotive equipment, and only to the locomotive equipment, that is identified in Schedule 1 attached hereto.
3. Reference is made to the Purchase Agreement for a further description of the rights of Charter under the Purchase Agreement.

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed as of the date first above written.

WITNESS:

LLX RAIL, INC.

Christian A. Netto

By: B.K. Forney, III  
Name: B.K. Forney, III  
Title: pres

WITNESS:

CHARTER FINANCIAL, INC.

Brian Twomey

By: Brian Twomey  
Name: Brian Twomey  
Title: Vice President

**SCHEDULE 1**  
**LIST OF LOCOMOTIVE EQUIPMENT**

One LLX 155, EMD SW-1 Rated at 600HP, 6 Cylinder 567 Diesel Engine Completely Re-Sealed, D15 Main Generator, 10KW Auxiliary Generator, 6 BL Brake Equipment, AAR Switcher Trucks with Friction Bearing Journals, Good 2" Wheels, Complete Low Voltage R-wire and Upgraded electrical System

STATE OF ILLINOIS )  
 ) SS:  
COUNTY OF )

On this 27 day of January, 1998<sup>9</sup>, before me, a Notary Public of the County and State aforesaid, personally appeared Brian Twomey III, to me personally known, who being by me duly sworn, says that he is the President of LLX Rail, Inc., an Illinois corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.



Mercedes Kozla  
Notary Public

My commission expires: 2-20-02

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

On this 28th day of January, 1998<sup>9</sup>, before me, a Notary Public of the County and State aforesaid, personally appeared Brian Twomey, to me personally known, who being by me duly sworn, says that (s)he is the Vice President of Charter Financial, Inc., a New York corporation, 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.

AS WITNESS my hand and notarial seal.

Louisa L. Baker  
Notary Public

LOUISA L. BAKER  
Notary Public, State of New York  
No. 31-4956650  
Qualified in Westchester County  
Commission Expires September 5, 1999

My commission expires: