

RECORDATION NO. 21323-C FILED 1 D
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OF COUNSEL
URBAN A. LESTER

APR 31 1 28 PM '98

RECEIVED
SURFACE TRANSPORTATION
BOARD

Charter Financial - Part - Act.

May 1, 1998

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 each of the following secondary documents: two Memoranda of Collateral Assignment of Rights under Railcar Lease Agreement and a Memorandum of Progress Payment Loan Agreement and Security Agreement.

The enclosed documents relate to the documents previously filed with the Board under Recordation Number 21323.

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

Borrower: Southern Illinois Railcar Company
Executive Park Two
505 Buckeye Drive
Troy, Illinois 62294

Secured Party: Charter Financial, Inc.
153 East 53rd Street
New York, New York 10022

A description of the railroad equipment covered by the enclosed documents is set forth on Exhibit A attached hereto.

Mr. Vernon A. Williams
May 1, 1998
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Also enclosed is a check in the amount of \$78.00 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,

A handwritten signature in black ink, appearing to read "Robert W. Alvord", with a stylized flourish at the end.

Robert W. Alvord

RWA/bg
Enclosures

**EXHIBIT A
LIST OF RAILCARS**

99 Covered hopper railcars each having a capacity of 4,427 cubic feet, equipped with three (3) pockets and three (3) gravity outlet gates, having trough hatches, bearing reporting marks as follows:

ERCX004410, ERCX004411, ERCX004412, ERCX004413, ERCX004415,
ERCX004435, ERCX004437, ERCX004438, ERCX004439, ERCX004440,
ERCX004441, ERCX004442, ERCX004443, ERCX004444, ERCX004445,
ERCX004446, ERCX004447, ERCX004448, ERCX004449, ERCX004453,
ERCX004454, ERCX004455, ERCX004456, ERCX004457, ERCX004458,
ERCX004459, ERCX004460, ERCX004461, ERCX004462, ERCX004463,
ERCX004464, ERCX004465, ERCX004466, ERCX004468, ERCX004470,
ERCX004471, ERCX004473, ERCX004475, ERCX004483, ERCX004489,
ERCX004492, ERCX004495, ERCX004497, ERCX004503, ERCX004504,
ERCX004505, ERCX004510, ERCX004521,

ERCX4400, ERCX4401, ERCX4402, ERCX4403, ERCX4404, ERCX4405, ERCX4406,
ERCX4407, ERCX4408, ERCX4409, ERCX4414, ERCX4416, ERCX4417, ERCX4418,
ERCX4419, ERCX4420, ERCX4421, ERCX4422, ERCX4423, ERCX4425, ERCX4426,
ERCX4427, ERCX4428, ERCX4429, ERCX4430, ERCX4431, ERCX4432, ERCX4433,
ERCX4434, ERCX4451, ERCX4474, ERCX4476, ERCX4477, ERCX4478, ERCX4479,
ERCX4480, ERCX4481, ERCX4485, ERCX4486, ERCX4487, ERCX4488, ERCX4490,
ERCX4491, ERCX4498, ERCX4506, ERCX4511, ERCX4512, ERCX4522, ERCX4523,
ERCX4526, ERCX4528, ERCX4529, ERCX4532, ERCX4533, ERCX4537

MEMORANDUM OF
PROGRESS PAYMENT LOAN AGREEMENT AND SECURITY AGREEMENT

THIS MEMORANDUM OF PROGRESS PAYMENT LOAN AGREEMENT AND SECURITY AGREEMENT (the "Memorandum") dated as of March 30, 1998, is made by and between Charter Financial, Inc. a New York corporation, with an office at 153 East 53rd Street, New York, New York 10022 ("Charter"), and SOUTHERN ILLINOIS RAILCAR COMPANY, an Illinois corporation, with it chief executive office and principal place of business at Executive Park Two, 505 Buckeye Drive, Troy, Illinois 62294 (the "Borrower").

Borrower and Charter hereby state the following:

1. Borrower and Charter are parties to that certain Progress Payment Loan and Security Agreement dated as of March 30, 1998 (the "Loan Agreement") (capitalized terms used herein and not otherwise defined shall have the meaning given in the Loan Agreement), whereby Charter loaned Borrower certain funds to facilitate the purchase or financing of the covered hopper railcars more specifically identified on Exhibit A attached hereto and made a part hereof (the "Railcars").
2. Borrower's obligations under the Loan Agreement and other loan documents are evidenced by and payable in accordance with the Loan Agreement.
3. Pursuant to the terms of the Loan Agreement and to secure the payment and performance of any and all of Borrower's obligations to Charter, Borrower granted to Charter a continuing, first priority security interest in and to, and chattel mortgage lien on, all of the Borrower's right, title and interest in and to the railcars, to have and to hold all and every part of the railcars unto Charter, its successors and assigns, for its and their own use and benefit forever.

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

WITNESS:

Henry M. Parsons

SOUTHERN ILLINOIS RAILCAR COMPANY

By: Fred L. Parsons

Fred L. Parsons
President

WITNESS:

Henry Frommer

CHARTER FINANCIAL, INC.

By: Henry Frommer

Name: Henry Frommer
Title: Vice Chairman

**EXHIBIT A
LIST OF RAILCARS**

103

~~99~~ Covered hopper railcars each having a capacity of 4,427 cubic feet, equipped with three (3) pockets and three (3) gravity outlet gates, having trough hatches, bearing reporting marks as follows:

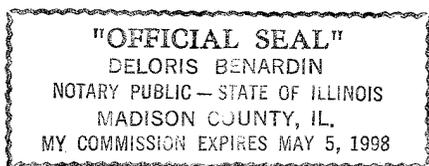
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ERCX004435, ERCX004437, ERCX004438, ERCX004439, ERCX004440,
ERCX004441, ERCX004442, ERCX004443, ERCX004444, ERCX004445,
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ERCX4491, ERCX4498, ERCX4506, ERCX4511, ERCX4512, ERCX4522, ERCX4523,
ERCX4526, ERCX4528, ERCX4529, ERCX4532, ERCX4533, ERCX4537

STAT OF ILLINOIS)
)
COUNTY OF Madison) SS:

On this 28th day of April, 1998, before me, a Notary Public of the County and State aforesaid, personally appeared Fred L. Parsons, to me personally known, who being by me duly sworn, says that he is the President of Southern Illinois Railcar Company, 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.



Deloris Benardin
Notary Public

My commission expires: 5-5-98

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

On this 30th day of April, 1998 before me, a Notary Public of the County and State aforesaid, personally appeared Henry Frommer, to me personally known, who being by me duly sworn, says that (s)he is the Vice Chairman 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

My commission expires:

LOUISA L. BAKER
Notary Public, State of New York
No. 31-4955650
Qualified in Westchester County
Commission Expires September 5, 1999