

RECORDATION NO. 21356 FILED

APR 28 '98

11-35 AM

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RECORDATION NO. 21356-A FILED

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RECEIVED
SURFACE TRANSPORTATION
BOARD

April 28, 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 a Memorandum of Loan Agreement and Security Agreement, dated as of April 23, 1998, a primary document as defined in the Board's Rules for the Recordation of Documents, and a Memorandum of Progress Payment Loan Agreement and Security Agreement, a secondary document related thereto.

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

Counterparts - K. Bartman

Primary →

Borrower: Southern Illinois Railcar Company
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:

twenty (20) gondola railcars bearing DEEX and SSMX reporting marks and road numbers set forth on the schedule attached thereto

Mr. Vernon A. Williams
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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 stamped copies of the enclosed documents to the undersigned.

Very truly yours,

A handwritten signature in cursive script, appearing to read "R. Alvord", with a long horizontal flourish extending to the right.

Robert W. Alvord

RWA/bg
Enclosures

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MEMORANDUM OF
LOAN AGREEMENT AND SECURITY AGREEMENT

THIS MEMORANDUM OF LOAN AGREEMENT AND SECURITY AGREEMENT (the "Memorandum") dated as of April 23, 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 505 Buckeye Drive, Troy, Illinois 62294 (the "Borrower").

Borrower and Charter hereby state the following:

1. Borrower and Charter are parties to that certain Loan and Security Agreement dated as of April 23, 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 gondola 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:

[Signature]

SOUTHERN ILLINOIS RAILCAR COMPANY

By: [Signature]

Name: loyd L. Pearson

Title: president

WITNESS:

CHARTER FINANCIAL, INC.

By: [Signature]

Name: William Twomey

Title: VICE PRESIDENT

SCHEDULE 1
LIST OF EQUIPMENT

20 Flat-bottom gondola railcars, each having a capacity of 4000 cubic feet, bearing reporting marks as follows:

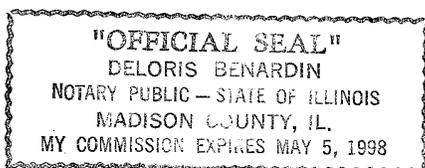
DEEX 9265, DEEX 9266, DEEX 9269, DEEX 9270, DEEX 9271, DEEX 9274, DEEX 9276,
DEEX 9278, DEEX 9279, DEEX 9281, DEEX 9282, DEEX 9283, DEEX 9284, DEEX 9285,
DEEX 9290, DEEX 9292, DEEX 9297, DEEX 9299

~~SSMX~~ 8010, ~~SSMX~~ 8011

STATE OF Illinois)
)
COUNTY OF Madison) SS:

On this 23rd 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 24th day of April, 1998 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

My commission expires:

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