Primary

RECORDATION NO. 21698 FILED

OCT 5 '98 12-45 PM

SURFACE TRANSPORTATION BOARD

OCT 5 12 43 PM '98

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Counterpart - Pr.

October 5, 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 and Security Agreement, dated as of September 28, 1998, a primary document as defined in the Board's Rules for the Recordation of Documents, and the following secondary document related thereto: Memorandum of Collateral Assignment, also dated as of September 28, 1998.

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

Primary → Loan and Security Agreement

Debtor: Relco Locomotives, Inc.
113 Industrial Avenue
Minooka, Illinois 60447

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

Collateral Assignment

Assignor: Relco Locomotives, Inc.
113 Industrial Avenue
Minooka, Illinois 60447

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

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

one (1) locomotive bearing reporting mark and road number RE 1055

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 each of the enclosed documents to the undersigned.

Very truly yours,

Robert W. Alvord

RWA/bg
Enclosures

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MEMORANDUM OF LOAN AND SECURITY AGREEMENT

THIS MEMORANDUM OF LOAN AND SECURITY AGREEMENT (the "Memorandum") dated as of Sept. 28, 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 Relco Locomotives, Inc., an Illinois corporation, with it chief executive office and principal place of business at 113 Industrial Avenue, Minooka, Illinois 60447 (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 Sept. 28th, 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 locomotive more specifically identified on Schedule 1 attached hereto and made a part hereof (the "Locomotive").

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 Locomotive, to have and to hold all and every part of the Locomotive 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:

WITNESS:

RELCO LOCOMOTIVES, INC.

By: _____
Name:
Title: C.E.O

CHARTER FINANCIAL, INC.

By: _____
Name: Brian Twomey
Title: Vice President

SCHEDULE 1
LIST OF LOCOMOTIVE EQUIPMENT

One Alco, 1000 Horsepower, 115-ton Locomotive with identifying marking of RE1055, equipped with a Cattron Model MP96-RCL Remote Control.

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STATE OF ILLINOIS)
) SS:
COUNTY OF Grundy)

On this 28th day of Sept., 1998, before me, a Notary Public of the County and State aforesaid, personally appeared Donald L. Bachmato me personally known, who being by me duly sworn, says that he is the C.E.O of Relco Locomotives, 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.

OFFICIAL SEAL
JO ELLYN VAN DUYNE
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 4-1-2000

Jo Ellyn Van Duyne
Notary Public

My commission expires: 4/1/2000

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

On this 29th day of September, 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.

Notary Public

My commission expires: 9/5/99

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

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