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1995

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URBAN A. LESTER

Handwritten notes:
- [Signature]
- [Signature]

November 20, 1995

Mr. Vernon A. Williams
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two (2) copies of a Security Agreement - Chattel Mortgage, dated as of November 7, 1995, a primary document as defined in the Commission's Rules for the Recordation of Documents under 49 C.F.R. Section 1177.

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

Debtor: Southern Illinois Railcar Company
One Mark Twain Plaza, Suite 225
Edwardsville, Illinois 62025

Secured Party: Banc One, Springfield
One East Old State Capitol Plaza
Springfield, Illinois 62701

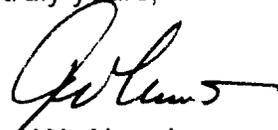
A description of the railroad equipment covered by the enclosed document is set forth on Exhibit A attached thereto.

Mr. Vernon A. Williams
November 20, 1995
Page 2

Also enclosed is a check in the amount of \$21.00 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return one stamped copy of the enclosed document 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



Interstate Commerce Commission
Washington, D.C. 20423-0001

11/20/95

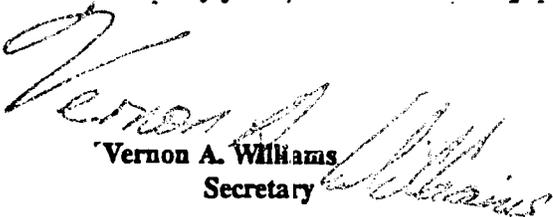
Office Of The Secretary

Robert W. Alvord
Alvord And Alvord
918 Sixteenth Street, NW., Ste. 200
Washington, DC., 20006-2973

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 11/20/95 at 11:45AM, and assigned recordation number(s). 19718 and 19444-A.

Sincerely yours,

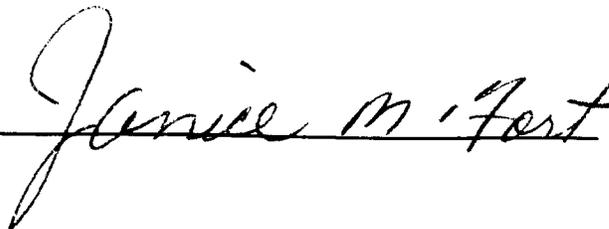

Vernon A. Williams
Secretary

Enclosure(s)

(0100858076)

\$ 42.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



SECURITY AGREEMENT - CHATTEL MORTGAGE

THIS SECURITY AGREEMENT - CHATTEL MORTGAGE dated as of November 7, 1995 (the "Security Agreement") between Southern Illinois Railcar Company, an Illinois corporation (the "Debtor"), and Bank One, Springfield, an Illinois banking corporation (the "Lender").

RECITALS

A. The Lender has agreed to make a loan to the Debtor in the aggregate principal amount of Two Million Dollars (\$2,000,000) (the "Secured Loan") evidenced by a demand promissory note executed by the Debtor in favor of the Lender or its assigns (the "Note").

B. The principal of and interest on the Secured Loan and all additional amounts and other sums at any time due and owing from or required to be paid by the Debtor under the terms of the Note and this Security Agreement are hereinafter sometimes referred to as "indebtedness hereby secured."

Section 1. DEFINITIONS.

Terms defined in the preamble hereof shall have their respective meanings when used herein and as used herein, the following terms shall have the meanings herein specified unless the context otherwise requires. Defined terms in this Security Agreement shall include in the singular number the plural and in the plural number the singular.

"AAR" shall mean the Association of American Railroads.

"AAR Value" shall mean with respect to any railcar included in the Equipment or any proposed Replacement Unit, the settlement value of such railcar as determined in accordance with Rule 107 -- Damaged and/or Destroyed Cars (or any successor rule) of the AAR as published in the most recent edition of the Field Manual of the AAR Interchange Rules (or a successor publication).

"Casualty Date" shall have the meaning specified in Section 5.2(a) hereof.

"Casualty Loss" shall have the meaning specified in Section 5.2(a) hereof.

"Casualty Loss Proceeds" shall have the meaning specified in Section 5.2(a) hereof.

"Casualty Payments" shall have the meaning specified in Section 5.2(a) hereof.

"Casualty Total Date" shall have the meaning specified in Section 5.2(a) hereof.

"Closing Date" shall mean November 7, 1995.

"Collateral" shall have the meaning specified in Section 2 hereof.

"Default" shall mean the failure of Debtor to pay when due any amounts owed under the terms of the Note or to duly observe and perform any material term, covenant, condition or agreement contained in this Security Agreement.

"Equipment" shall have the meaning specified in Section 2.2 hereof.

"Equipment Casualty Loss" shall have the meaning specified in Section 5.2(a) hereof.

"Equipment Lease" shall have the meaning specified in Section 2.3(a) hereof.

"Equipment Lessees" shall mean the lessees, as lessees under the Equipment Leases.

"Equipment Lease Proceeds" shall have the meaning specified in Section 2.3(a) hereof.

"Expired Date" shall have the meaning specified in Section 5.2(a) hereof.

"Expired Lease" shall have the meaning specified in Section 5.2(a) hereof.

"ICA" shall mean the Interstate Commerce Act, as amended, and the regulations and rulings promulgated thereunder.

"ICC" shall mean the Interstate Commerce Commission and any successors thereto.

"Items of Equipment" shall have the meaning specified in Section 2.2 hereof.

"Lien" shall have the meaning specified in Section 3.3 hereof.

"Original Lease" shall have the meaning specified in the definition of "Replacement Lease" in this Section 1.

"Permitted Lien" shall have the meaning specified in Section 3.3 hereof.

"Person" shall mean and include any individual, business trust, partnership, limited liability company, limited liability partnership, joint venture, firm, corporation, association, joint stock company, trust or other enterprise or any government or political sub-division or agency, department or instrumentality thereof.

"Registrar General" shall mean the Registrar General of Canada.

"Replacement Lease" shall mean a lease entered into by the Debtor in an arms-length transaction that imposes no additional material obligations on the Debtor than those imposed by the Expired Lease or the Equipment Lease to which the original Item of Equipment being replaced was subject (such lease being the "Original Lease"), as the case may be, and is with a lessee that the Lender reasonably determines is comparable in creditworthiness to the lessee under the Expired Lease or the Original Lease, as applicable, and which is otherwise in form and substance reasonably acceptable to the Lender.

"Replacement Unit" shall mean a replacement unit of Rolling Stock that is reasonably acceptable to the Lender.

"Responsible Officer" shall mean the President, the Chief Financial Officer, Senior Vice President of Finance, the Treasurer, the Assistant Treasurer or any Person instructed by the Borrower to have responsibility of and to administer this transaction.

"Rolling Stock" shall mean standard gauge railroad rolling stock, other than passenger equipment or work equipment, used or intended for use in connection with interstate commerce; excluding however, railroad rolling stock scrapped or intended to be scrapped.

"Secured Loan" shall have the meaning specified in the first recital hereof.

"Security Agreement" shall mean this Security Agreement as specified in the first paragraph hereof.

"UCC" shall mean the Uniform Commercial Code as in effect in the State of Illinois unless otherwise specified, as amended.

Section 2. SECURITY.

2.1 Grant of Security. The Debtor, in consideration of the premises and of the sum of Ten Dollars received by the Debtor from the Lender and other good and valuable consideration, receipt and sufficiency whereof is hereby acknowledged and in order to secure the due payment of the principal of and interest on the Note according to its tenor and effect, this Security Agreement and the Note (sometimes referred to herein collectively as the "Obligations"), does hereby assign, mortgage, pledge, hypothecate, transfer and set over to the Lender and grant the Lender a first priority lien on and security interest in all of the Debtor's right, title and interest in and to the properties, rights, interests and privileges described in Section 2.2, 2.3 and 2.4 hereof (all of which properties are hereinafter collectively referred to as the "Collateral").

2.2 Equipment Collateral. The Collateral includes certain covered hopper and other types of railroad cars which cars are more fully described in Exhibit A hereto (collectively, the "Equipment" or "Items of Equipment" and individually, an "Item of Equipment") together with all accessories, equipment, parts and appurtenances appertaining or attached to such Equipment, whether now owned or hereafter acquired, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to or proceeds of any and all of said Equipment, together with all the records, rents, mileage credits earned, issues, income, profits, avails and other proceeds (including insurance proceeds) therefrom.

2.3 Rental Collateral.

(a) The Collateral also includes, all right, title, interest, claims and demands of the Debtor in, to and under each and every lease (whether or not such lease is in writing or is for a term certain, including, without limitation, per diem leases) now or hereafter entered into relating to the Equipment but to and only to the extent relating to the Equipment (each such portion of such lease being an "Equipment Lease"), including any extensions of the term of every Equipment Lease, all of Debtor's rights under any Equipment Lease to make determinations, to exercise any election (including, but not limited to, election of remedies) or option or to give or receive any notice, consent, waiver or approval together with full power and authority with respect to any Equipment Lease to demand, receive, enforce, collect or give receipt for any of the foregoing rights or any property which is the subject of any Equipment Lease, to enforce or execute any checks or other instruments or orders, to file any claims and to take any action which (in the opinion of the Lender) may be necessary or advisable in connection with any of the foregoing insofar, but only insofar, as such rights relate to the Equipment which is subject to such Equipment Leases, all records related to the Equipment Leases and all payments due and to become due under any Equipment Lease, whether as contractual obligations, damages, casualty payments, insurance proceeds or otherwise to the extent such payments are derived from the Equipment (the "Equipment Lease Proceeds").

(b) It is expressly agreed that anything herein contained to the contrary notwithstanding, the Debtor shall remain liable under the Equipment Leases to perform all of the obligations assumed by it thereunder, all in accordance with and pursuant to the terms and provisions thereof, and the Lender shall have no obligation or liability under the Equipment Lease by reason of or arising out of the assignment hereunder, nor shall the Lender be required or obligated in any manner to perform or fulfill any obligations of the Debtor under or pursuant to the Equipment Leases or, except as herein expressly provided, to make any payment, or to make any inquiry as to the nature or sufficiency of any payment received by it, or present or file any claim, or take any action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

(c) The Lender shall be entitled to collect and receive the Equipment Lease Proceeds only upon the occurrence of and during the continuance of a Default.

2.4 Business Collateral. The Collateral also includes all of the Borrower's inventory, chattel paper, accounts, receivables, contract rights, equipment, and general intangibles whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located; all products or proceeds (cash and non-cash) of any of the foregoing; and all books and records relating to any of the foregoing; provided, however, that the Collateral shall not include (i) any inventory, chattel paper, accounts, receivables, contract rights, equipment (other than the Equipment) and general intangibles that are presently subject to a lien of another secured creditor of the Borrower, (ii) any leases (collectively, "Leases") of Rolling Stock by the Borrower from any other Person (collectively, "Leased Rolling Stock") and any rights of the Borrower under such Leases, and (iii) any subleases by the Borrower of Leased Rolling Stock (collectively, "Subleases"), any rights of the Borrower under such Subleases, any payments due and to become due under such Subleases and any accounts receivable arising under such Subleases.

Section 3. COVENANTS AND WARRANTIES OF DEBTOR.

The Debtor covenants, warrants and agrees with Lender that until the Obligations are paid in full that:

3.1 Maintenance of Equipment. The Debtor shall maintain and keep, or cause to be maintained and kept, at its or the Equipment Lessees' own cost and expense, each Item of Equipment in good order and repair in compliance with all AAR mechanical regulations and industrial commercial acceptance standards for revenue interchange loading, unless and until it becomes worn out, unsuitable for use, lost or destroyed; provided that any such Item of Equipment so worn out, obsolete, lost or destroyed shall be replaced with a Replacement Unit which is subject to a Replacement Lease in accordance with the provisions of Section 5.2 hereof.

3.2 Insurance.

(a) The Debtor shall maintain, or cause to be maintained at its own expense, with responsible insurance companies acceptable to the Lender, property, liability and other insurance, on such of its properties, in such amounts, against such risks and in such form as is customarily maintained by similar businesses, and, in any event, with respect to liability insurance, in an amount not less than \$5 million, which insurance shall at all times include coverage for all liabilities covered under, and shall not include, any exclusions other than those set forth in the Debtor's policies of insurance as in effect on the Closing Date.

(b) For purposes of this Section 3.2, liability insurance may include a program of self-insurance for up to Five Million Dollars (\$5,000,000) of liability exposures; provided that under any such program of self-insurance the Debtor shall maintain, or cause to be maintained, adequate reserves on its books in accordance with GAAP, if applicable,

to cover all risks not otherwise insured by an insurance company, and the Debtor shall, within thirty (30) days after the end of each of its fiscal quarters, deliver to the Lender a certificate of a Responsible Officer setting forth evidence of the maintenance of such sufficient reserves as required herein and any other financial statements or records as the Lender may require or request with respect to such program of self-insurance.

(c) The Debtor shall cause the Lender to be named as an additional insured and loss payee under all policies of insurance maintained pursuant to the provisions of this Section 3.2 and shall deliver to the Lender (x) on the Closing Date, evidence in a form and substance satisfactory to the Lender of such insurance policies and (y) thereafter, thirty (30) days prior written notice before any cancellation, expiration, cessation, reduction in amount or change in coverage thereof shall become effective.

3.3 Preservation of Collateral.

(a) The Debtor will warrant and defend the title to the Collateral against all claims and demands of all Persons except Persons claiming, by, through or under the Lender. The Debtor will not assign, sell, lease, or permit any of the same to occur with respect to the Collateral. The Debtor will not create, assume or suffer to exist any Lien on the Collateral other than Permitted Liens (as hereinafter defined) and the Debtor shall pay or discharge, at its own cost and expense, any and all claims, liens or charges other than Permitted Liens. As used herein, "Lien" shall mean any mortgage, pledge, security interest, encumbrance, lien or charge of any kind. As used herein, "Permitted Liens" shall mean:

(i) the Liens created by this Security Agreement and by the Equipment Leases;

(ii) the Liens arising from taxes, assessments or governmental charges or levies either not yet assessed or, if assessed not yet due or contested in good faith by appropriate proceedings (and for which adequate reserves have been made in the Debtor's books in accordance with GAAP consistently applied);

(iii) mechanics', materialmen's, suppliers', warehousemen's, workmen's, repairmen's, employees', or other like Liens arising by operation of law in the ordinary course of business for amounts which are either not yet due or are not yet overdue for more than 15 days or are being contested in good faith by appropriate proceedings (and for which adequate reserves have been made in the Debtor's books in accordance with GAAP consistently applied or when required in order to pursue such proceedings, an adequate bond has been obtained) so long as such proceedings do not involve any danger of sale, forfeiture or loss of Equipment; and

(iv) Liens arising out of judgments or awards against the Debtor which are being contested in good faith by appropriate proceedings (and for the payment of which an adequate bond has been obtained) and with respect to which there shall have

been secured a stay of execution pending such appeal or proceedings for review, so long as such proceedings, in the judgment of the Lender, do not involve any danger of sale, forfeiture or loss of Equipment.

(b) The Debtor shall advise the Lender promptly, in reasonable detail, of any Lien or claim made or asserted against any of the Collateral and of any event affecting the Lender's security interest in the Collateral.

3.4 Further Assurances. The Debtor will, at its own expense, do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary for the perfection and maintenance of the perfection of the security interests in the Collateral, whether now owned or hereafter acquired, with the ICC, pursuant to the UCC and ICA, and with the Registrar General, pursuant to the Railway Act (Canada), and as the Lender may consider necessary or desirable.

3.5 Recordation and Filing.

(a) The Debtor will (x) cause this Security Agreement and any supplements hereto at all times to be executed, recorded and filed, at no expense to the Lender with the ICC and with the Registrar General, and all financing and continuation statements to be filed with the Secretary of State of the State of Illinois and with the County Clerk of Madison County, Illinois, and cause such documents and all similar notices required by applicable law to be filed in such other jurisdictions and with such other federal, state, provincial or local government or agency thereof where the Lender deems it necessary or desirable to perfect, protect, or preserve its lien on the Collateral in order to fully preserve and protect the rights of the Lender hereunder; and (y) at its own expense, furnish to the Lender promptly after the execution and delivery of any supplement to this Security Agreement, opinions of counsel as the Lender may reasonably request, and shall otherwise be in form and substance reasonably satisfactory to the Lender.

(b) The Debtor hereby authorizes the Lender to take all action (including, without limitation, the filing of this Security Agreement and any supplements thereto and any UCC Financing Statements or amendments thereto without the signature of the Debtor) which the Lender may deem necessary to perfect, protect, or preserve the liens and security interests created hereunder and to obtain the benefits of this Security Agreement.

3.6 Power of Attorney.

(a) The Debtor does hereby irrevocably constitute and appoint the Lender and its successors and assigns, upon the occurrence and during the continuance of a Default, its true and lawful attorney with full power of substitution for it and in its name, place and stead, to ask, demand, collect, receive, receive for and sue for any and all Equipment Lease Proceeds hereof with full power to settle, adjust or compromise any claim thereunder as fully as the Debtor could itself do, and to endorse the name of the Debtor on

all instruments or commercial paper given in payment or in part payment thereof, and in its discretion to file any claim or take any other action or proceedings, either in its own name or in the name of the Debtor or otherwise, which the Lender may deem necessary in its reasonable discretion to perfect, protect and preserve the right, title and interest of the Lender in and to such Equipment Lease Proceeds and the security intended to be afforded hereby.

(b) The parties acknowledge that the powers conferred on the Lender hereunder are solely to protect its interest in the Collateral and that anything herein contained to the contrary notwithstanding, neither the Lender nor its successors or assigns shall have any duty, obligation or liability by reason of or arising out of this Security Agreement to make any inquiry as to the nature or sufficiency of, to present or file any claim with respect to, or to take any action to collect or enforce the payment of, any amounts to which it may be entitled at any time by virtue of this Security Agreement.

3.7 Chief Executive Office. The chief executive office of the Debtor is located at One Mark Twain Plaza, Suite 225, Edwardsville, Illinois 62025-1959, and all the records related to the Equipment and to the Equipment Leases are kept in said office. The Debtor shall give the Lender thirty (30) days advance written notice of any change of such office address.

3.8 Acquisition of Interest in the Equipment. The Debtor has acquired its interest in the Equipment for its own account and with its general corporate assets and no funds used to acquire any Item of Equipment have been furnished directly or indirectly out of the assets of or in connection with any employee benefit plan (or its related trust) or any separate account in which any employee benefit plan has any interest. As used in this paragraph, the terms "employee benefit plan" and "separate account" shall have the respective meanings assigned to them in ERISA.

3.9 Actions Under the Equipment Leases.

(a) Every Equipment Lease will be in substantially the form of Exhibit B hereto and the Debtor shall not enter into any agreement amending or supplementing any Equipment Lease in any material respect, execute any waiver or modification of, or consent to the non-compliance with, any material provision of any Equipment Lease, settle or compromise any material claim against any Equipment Lessee arising under any Equipment Lease, or submit or consent to the submission of any dispute difference or other matter arising under or in respect of any Equipment Lease to arbitration thereunder, in each instance, without the prior written consent of the Lender.

(b) The Debtor shall comply, and use its reasonable efforts to cause each of the Equipment Lessees to comply, in all material respects, with all acts, rules, regulations and orders of any legislative, administrative or judicial body or official applicable to the Collateral or any part hereof, or to the operation of the Debtor's business (including all laws of the jurisdictions in which operations involving the Equipment may extend the

interchange rules of the AAR and all rules of the ICC and the Registrar General); provided, however, that the Debtor may contest any acts, rules, regulations, orders and directions of such bodies or officials in any reasonable manner which will not, in the sole opinion of the Lender, materially adversely affect the Lender's rights or the priority of its security interest in the Collateral.

3.10 Right to Inspect the Collateral. The Debtor shall at any reasonable time, at the request of the Lender, cause the Collateral to be exhibited to the Lender (or persons designated by the Lender) for purposes of inspection, provided that the Equipment will not be made available for inspection at any Equipment Lessee's facility.

3.11 Reports. On or before October 1 in each year, commencing with the calendar year 1996, Debtor shall furnish to the Lender an accurate statement (a) setting forth as at the preceding October 1st, the amount, description and numbers of all Items of Equipment then covered by an Equipment Lease, the amount, description and numbers of all Items of Equipment that have suffered a Casualty Loss during the preceding calendar year or, in the case of the first such statement since the date of this Security Agreement (specifying the dates of such Casualty Loss) or to the knowledge of the Debtor are then undergoing repairs (other than running repairs) or are then withdrawn from use pending repairs (other than running repairs) and such other information regarding the condition and state of repair of the Items of Equipment as the Lender may reasonably request, and (b) stating that, in the case of all Items of Equipment repainted or repaired during the period covered by such statement, the numbers and the marking required by Section 3.12 hereof and the Equipment Lease have been preserved or replaced. The Debtor shall keep proper books and records with respect to the Equipment and each Equipment Lease and the other Collateral covered thereby. The Lender shall have the right (but not any obligation) by its agents to inspect the Items of Equipment and the Debtor's records with respect thereto (and the right to make extracts from and to receive from the Debtor true copies of such records relating to the Collateral other than the Equipment Leases except as otherwise provided herein) at such reasonable times as the Lender may request during the continuance of this Security Agreement.

3.12 Marking of Equipment.

(a) Debtor will cause each Item of Equipment to be kept numbered with the identifying number set forth in Exhibit A hereto, and at the request of the Lender if the Lender determines that it is necessary in order to perfect, protect or preserve its first priority security interest in the Collateral, the Debtor shall keep and maintain plainly, distinctly, permanently and conspicuously marked on each side of each Item of Equipment, in letters not less than one inch in height, the words "Ownership subject to a Security Agreement filed with the Interstate Commerce Commission." The Debtor shall not change, or permit to be changed, the identifying number of any Item of the Equipment except in accordance with a statement of new identifying numbers to be substituted therefor after the Lender has been notified in writing and which statement shall be filed, recorded or deposited in all public offices where this Security Agreement shall have been

filed, recorded or deposited. If the identifying numbers have been changed, then the Debtor shall furnish to the Lender an opinion of counsel in form and substance satisfactory to the Lender to the effect that such statement has been so filed, recorded and deposited, such filing, recordation and deposit will protect the Lender's first priority Lien or security interests in such Items of Equipment and no further filing, recording, deposit or giving of notice with or to any other Federal, state or local government or agency thereof is necessary to perfect, protect, or preserve the security interest of the Lender in such Items.

(b) Except as above provided, the Debtor will not allow the name of any Person (other than the Debtor) to be placed on the Item of Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Debtor may permit the Equipment to be lettered with the names, trademarks, initials or other insignia customarily used by the user of such Equipment or its affiliates.

3.13 Use of Equipment. The Equipment will be used by a lessee, a sublessee or user incorporated in the United States of America (or any State thereof or the District of Columbia) or Canada (or any Province thereof), only upon lines of railroad owned or operated by a railroad company or companies incorporated in the United States of America (or any State thereof or the District of Columbia) or Canada (or any Province thereof) or over lines upon which such railroad company or companies have trackage rights or rights for operation of their trains, and upon connecting with other carriers in the usual interchange of traffic in the continental United States and Canada, only upon and subject to all the terms and conditions of Equipment Leases.

Section 4. SPECIAL PROVISIONS CONCERNING LEASES.

4.1 Debtor's Rights Under Equipment Leases. Until the occurrence and continuance of a Default, and subject to any limitations set forth herein, the Debtor may exercise all of the Debtor's rights, powers, privileges and remedies under any Equipment Lease, including, without limitation, the right to receive any and all monies due or to become due under any Equipment Lease, and to retain all copies (original or duplicates) of each Equipment Lease.

4.2 Equipment Lease Location and Legend. The Debtor shall keep the original of each Equipment Lease at its chief executive offices and shall mark each Equipment Lease with the following language:

"The rights and interests of Southern Illinois Railcar Company under this Lease and all amendments, and riders hereto relating to certain railcars listed herein, and in such railcars, have been assigned to one or more financial institutions or banks listed on the page or pages at the end of this Lease and are subject to a first priority perfected security interest in favor of such financial institutions or banks. To the extent that this Lease constitutes chattel paper, no security interest in this Lease may be created or perfected through the transfer or possession of this counterpart."

The Lender shall have the right from time-to-time to require the Debtor to mark on the page or pages at the end of each Equipment Lease describing the Equipment in which the Lender has interests hereunder and require the Debtor to place notations of the Lender's interests in the Collateral. The Lender shall have the right from time-to-time to periodically audit the lease records of the Debtor as to the status of the Equipment and each Equipment Lease.

Section 5. COLLATERAL.

5.1 Possession of Collateral. So long as no Default has occurred and is continuing, the Debtor and each Equipment Lessee party to an Equipment Lease shall be suffered and permitted to remain in full possession, enjoyment and control of the Collateral, including without limitation each Equipment Lease and to manage, operate and use the Collateral and each part thereof with the rights and franchises pertaining to the Collateral; provided that the possession, enjoyment, control and use of the Equipment shall at all times be subject to the observance and performance of this Security Agreement.

5.2 Casualty Loss; Insurance Proceeds; Cash Collateral Account.

(a) In the event and at such time as any Equipment Lease expires (the "Expiration Date") prior to the maturity of the Note (each, an "Expired Lease") or a Responsible Officer first has knowledge (a "Casualty Date") that any Item of Equipment is destroyed, lost, stolen, irreparably damaged, or missing for a period in excess of thirty (30) days, taken by any governmental entity (including, without limitation, condemnation, confiscation, requisition, taking of title or use by any governmental entity) or otherwise becomes unusable in the business of the Debtor (such event or condition, a "Equipment Casualty Loss"), the Debtor shall promptly inform the Lender of the Equipment Casualty Loss or the expiration of the Expired Lease, as the case may be. If on any date (a "Casualty Total Date") either (i) a Responsible Officer of Borrower has knowledge that an Equipment Casualty Loss has occurred with respect to one or more Items of Equipment, or (ii) one hundred twenty (120) days after an Expiration Date if neither the Expired Lease has been renewed nor the Item of Equipment covered by such Expired Lease has been made subject to a Replacement Lease (together with an Equipment Casualty Loss, a "Casualty Loss"), then, at the option of the Debtor, within ten (10) Business Days after such Casualty Total Date, either (i) the Debtor shall pay Lender for application to the principal amount due under the Loan (without prepayment penalty) an amount (the "Casualty Loss Proceeds") equal to the then outstanding principal amount of the Loan multiplied by the AAR Value of the Equipment subject to the Casualty Loss and divided by the AAR Value of the Equipment immediately preceding the Casualty Loss (which shall include the AAR Value of the Equipment which suffered the Casualty Loss); or (ii) the Debtor shall pledge to the Lender such number of Replacement Units which are subject to Replacement Leases which have an aggregate AAR Value equal to or greater than the Equipment subject to the Casualty Loss. Upon the taking of the actions set forth in clauses (i) or (ii) above, (x) at the request of the Debtor, the Lender shall take such actions

as may reasonably be requested by the Debtor in order to release such Items of Equipment which were subject to a Casualty Loss from the Lien of this Security Agreement, including the delivery to the Debtor of releases in recordable form with the ICC and the Registrar General and UCC-3 Release Statements, all at the expense of the Debtor, (y) the Debtor shall be entitled to retain, free of the Lender's Lien hereunder, any insurance proceeds, lessee payments, railroad payments or other casualty recoveries ("Casualty Payments") received by the Debtor to the extent they relate to the Items of Equipment subject to such Casualty Loss, and (z) the Lender shall pay over to the Debtor any and all Casualty Payments received by the Lender relating to such Items of Equipment.

Section 6. SECURED PARTY'S RIGHTS.

6.1 Secured Party's Rights. The Debtor agrees that when a Default has occurred and is continuing, the Lender shall have the rights, options, duties and remedies of a secured party, and the Debtor shall have the rights and duties of a debtor, under the ICA and under the UCC (regardless of whether such UCC or a law similar thereto has been enacted in a jurisdiction wherein the rights or remedies are asserted) as applicable, and the Lender shall have the following rights and remedies:

(a) The Lender shall have all the rights of a secured party under the ICA and under the UCC to enforce the security interests contained herein.

(b) The Lender personally or by agents or attorneys, shall have the right (subject to compliance with any applicable mandatory legal requirements) to take immediate possession of the Collateral, or any portion thereof, and for that purpose may pursue the same wherever it may be found, and may enter any of the premises of the Debtor, with or without notice, demand, process of law or legal procedure, if this can be done without breach of the peace, and search for, take possession of, remove, keep and store the Collateral, or use and operate or lease the Collateral until sold, and the Debtor shall deliver, or cause to be delivered, possession of the Equipment to the Lender or its agents where the same may be found or at such place as the Lender may reasonably require. Notwithstanding anything hereunder to the contrary, so long as no Default has occurred and is continuing unremedied, each original Equipment Lease delivered to the Debtor shall remain at the chief executive offices of the Debtor; provided, however, that in the event a Default has occurred and is continuing, the Debtor shall provide to the Lender the original of each Equipment Lease or, in case originals are not available because one or more lenders have an interest in leases reflected in the same document as any Equipment Lease, duplicate copies of an Equipment Lease and the Equipment Schedules to each Equipment Lease and, in all cases, all relevant information that the Lender may request regarding all other leases and all other lenders, and if requested by all lenders with a security interest in any Equipment Lease, deliver each such Equipment Lease to a trustee designated by the Lender and all other lenders.

(c) Any Collateral repossessed by the Lender under or pursuant to this Section 6.1 may be sold, leased or otherwise disposed of under one or more contracts or as an

entirety, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner, at such time or times, at such place or places and on such terms as the Lender may, in compliance with any mandatory requirements of applicable law, determine to be commercially reasonable. Any of the Collateral may be sold, leased or otherwise disposed of, in the condition in which the same existed when taken by the Lender or after any overhaul or repair which the Lender shall determine to be commercially reasonable. Any such disposition which shall be a private sale or other private proceedings permitted by such requirements shall be made upon not less than 10 days' written notice to Debtor specifying the times at which such disposition is to be made and the intended sale price or other consideration therefor. Any such disposition which shall be a public sale permitted by such requirements shall be made upon not less than 10 days' written notice to Debtor specifying the time and place of such sale and, in the absence of applicable requirements of law, shall be by public auction after publication of notice of such auction not less than 10 days prior thereto in a newspaper of general circulation in the City of Springfield, Illinois. To the extent permitted by any such requirement of law, the Lender may itself bid for and become the purchaser of the Collateral or any time thereof, offered for sale in accordance with this Section without accountability to Debtor (except to the extent of surplus money received as provided in Section 6.3). In the payment of the purchase price therefor, the Lender shall be entitled to have credit on account of the purchase price thereof of amounts owing to the Lender on account of the indebtedness hereby secured and the Lender may deliver the claims for interest on or principal of the Secured Loan or other indebtedness hereby secured in lieu of cash up to the amount which would, upon distribution of the net proceeds of such sale, be payable thereon. If, under mandatory requirements of applicable law, the Lender shall be required to make disposition of the Collateral within a period of time which does not permit the giving of notice to Debtor as hereinabove specified, the Lender need give Debtor only such notice of disposition as shall be reasonably practicable in view of such mandatory requirements of applicable law.

(d) The Lender may proceed to protect and enforce this Security Agreement by suit or suits or proceedings in equity, at law or in bankruptcy, and whether for the specific performance of any covenant or agreement herein contained or in execution or aid of any power herein granted, or for foreclosure hereunder, or for the appointment of a receiver or receivers for the Collateral or any part thereof, for the recovery of judgment for the indebtedness hereby secured or for the enforcement of any other legal or equitable remedy available under applicable law.

6.2 Effect of Sale. Any sale, whether under any power of sale hereby given or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Debtor in and to the property sold and shall be a perpetual bar, both at law and in equity, against the Debtor, its successors and assigns, and against any and all persons claiming the property sold, or any part thereof under, by or through the Debtor, its successors or assigns.

6.3 Application of Sale Proceeds. The proceeds of any sale of the Collateral, or any part thereof and the proceeds of any remedy hereunder shall be paid to and applied as follows:

(a) First, to the payment of all costs and expenses including those of foreclosure or suit, if any, and of such sale, and of all proper expenses, liability and advances, including legal expenses and reasonable attorneys' fees, incurred or made hereunder or under the Note, by the Lender;

(b) Second, to the payment of the amounts then owing or unpaid in respect of the Note; and

(c) Third, to the payment of the surplus, if any, to the Debtor, its successors and assigns, or to whosoever may be lawfully entitled to receive the same.

6.4 Discontinuance of Remedies. In case the Lender shall have proceeded to enforce any right under this Security Agreement by foreclosure, sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely, then, and in every such case, the Debtor and the Lender shall be restored to their former respective positions and rights hereunder with respect to the property subject to the security interest created under this Security Agreement.

6.5 Cumulative Remedies. No delay or omission of the Lender to exercise any right or power arising from a Default on the part of the Debtor, shall exhaust or impair any such right or power or prevent its exercise during the continuance of such Default. No waiver by the Lender of any such Default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent Default, or to impair the rights resulting therefrom except as may be otherwise provided herein. The Lender may exercise any one or more or all of the remedies hereunder and no remedy is intended to be exclusive of any other remedy but each and every remedy shall be cumulative and in addition to any and every other remedy given hereunder or otherwise existing now or hereafter at law or in equity; nor shall the giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment of the indebtedness secured under this Security Agreement operate to prejudice, waive or affect the security of this Security Agreement or any rights, powers or remedies hereunder, nor shall the Lender be required to first look to, enforce or exhaust such other additional security, collateral or guaranties.

6.6 Indemnity. The Debtor agrees to indemnify, protect and hold harmless the Lender, and its assigns, directors, officers, employees, agents or representatives (each an "Indemnified Party") from and against all losses, damages, injuries, liabilities, claims, suits, obligation, penalties, actions, judgments, costs, interest and demands of any kind or nature whatsoever (all the foregoing losses, damages, etc. are the "indemnified liabilities"), and expenses in connection therewith (including, without limitation, the reasonable fees and disbursements of counsel for such Indemnified Party in connection with any investigative, administrative or judicial proceeding, whether or not such Indemnified Party shall be

designated a party thereto, and the expenses of investigation by engineers, environmental consultants and similar technical personnel) arising out of, in connection with, or as the result of any claim for personal injury or property damage arising from the operation, use, condition, possession, storage or repossession of any of the Collateral, or any claim relating to any laws, rules or regulations, including, without limitation, environmental control, noise and pollution laws, rules or regulations or the entering into or performance of this Security Agreement and the Note, the enforcement of any rights thereunder, the retention by the Lender of a security interest in the Collateral, or arising during the period of any delivery, rejection, storage or repossession of any of the Equipment while a security interest therein remains in the Lender or during the period of the transfer of such security interest in the Collateral by the Lender pursuant to any of the provisions of this Security Agreement; provided, however, that the Debtor shall have no obligation to so indemnify any Indemnified Party for any indemnified liabilities arising from its willful misconduct or gross negligence. The foregoing indemnity shall survive the termination of this Security Agreement and payment in full of the Obligations.

6.7 Costs and Expenses. Any and all fees, costs and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses incurred by the Lender, in connection with the preparation of this Security Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of financing statements and other documents (including all taxes in connection with the filing and recording of such documents) in public offices, the payment or discharge of any taxes relating to the Collateral or imposed upon the Debtor, insurance premiums, encumbrances or otherwise protecting, maintaining or preserving the Collateral, or the enforcing, foreclosing, retaking, holding, storing, processing, selling or otherwise realizing upon the Collateral and the Lender's security interest therein, whether through judicial proceedings or otherwise, or in defending or prosecuting any actions or proceedings arising out of or related to the transaction to which this Security Agreement relates, shall be borne and paid by the Debtor on demand by the Lender and until so paid shall be added to the principal amount of the Obligations and shall bear interest at the default rate prescribed in the Note.

Section 7. MISCELLANEOUS.

7.1 Successors and Assigns. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Security Agreement contained by or on behalf of the Debtor or by or on behalf of the Lender shall bind and inure to the benefit of the successors and assigns of such parties whether so expressed or not.

7.2 Entire Agreement. This Security Agreement, together with the Exhibits and the Note, constitute the entire understanding between the parties with respect to the subject matter hereof. All prior agreements, understandings, representations, warranties and negotiations, if any, are merged into this Security Agreement, and this Security

Agreement is the entire agreement between the Debtor and the Lender relating to the subject matter hereto. This Security Agreement cannot be changed or terminated orally.

7.3 Partial Invalidity. The unenforceability or invalidity of any provision or provisions of this Security Agreement shall not render any other provision or provisions herein contained unenforceable or invalid.

7.4 Notices. Except as otherwise set forth in Section 3.7 above, notice or other communication required or permitted to be made or given under this Security Agreement, shall be in writing and shall be deemed to have been received by the party to whom it is addressed: (i) on the date indicated on the certified mail return receipt if sent by certified mail return receipt requested; (ii) on the date actually received if hand delivered or if transmitted by telefax (receipt of which is confirmed to sender); (iii) three business days after such notice was deposited in the United States Mail postage prepaid; or (iv) one business day after such notice was delivered to an overnight delivery service; addressed, delivered or transmitted in each case as follows:

Lender:

Bank One, Springfield
 One East Old State Capitol Plaza
 Springfield, Illinois 62701
 ATTENTION: R. Todd Hovermale
 Telephone: (217) 525-9644
 Telefax: (217) 522-7482

Debtor:

Southern Illinois Railcar Company
 One Mark Twain Plaza, Suite 225
 Edwardsville, Illinois 62025-1959
 ATTENTION: Fred L. Parsons
 Telephone: (618) 656-2200
 Telefax: (618) 656-2369

A party's address for notice may be changed from time to time only by written notice given to the other party in accordance with this Section.

7.5 Termination. This Security Agreement and the security interest granted hereby shall terminate when the Obligations have been fully paid or discharged, at which time the Lender shall, at the Debtor's expense, execute and deliver to the Debtor at its expense all UCC termination statements and such similar documents or proper instrument or instruments which the Debtor shall reasonably request to evidence such termination and the release of Collateral including releases in recordable form under the ICA and the Railway Act (Canada).

7.6 GOVERNING LAW. THIS SECURITY AGREEMENT SHALL BE DEEMED TO HAVE BEEN MADE UNDER, CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF ILLINOIS, PROVIDED, HOWEVER, THAT THE PARTIES SHALL BE ENTITLED TO ALL RIGHTS CONFERRED BY 49 U.S.C. § 11303 AND SUCH ADDITIONAL RIGHTS, ARISING OUT OF THE FILING, RECORDING OR DEPOSIT HEREOF, IF ANY.

7.7 Jurisdiction and Venue. The parties hereto agree that exclusive jurisdiction and venue lies in a court of competent jurisdiction in Sangamon County, Illinois, over any matters arising out of this Security Agreement, and that service of process in any such proceeding shall be effective if mailed to, and actually received by a party at its address described in the Notices section hereof.

7.8 Counterparts. This Security Agreement may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together constituting only one Security Agreement.

7.9 Headings. Any headings or captions preceding the text of the several sections hereof are intended solely for convenience of reference and shall not constitute a part of this Security Agreement nor shall they affect its meaning, construction or effect.

7.10 WAIVER OF JURY TRIAL. EACH PARTY HERETO, AFTER CONSULTING OR HAVING HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY, WAIVE ANY RIGHT ANY OF THEM MAY HAVE TO A TRIAL BY JURY IN ANY LITIGATION BASED UPON OR ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT, ANY RELATED INSTRUMENT OR AGREEMENT, OR ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS SECURITY AGREEMENT, OR ANY COURSE OF CONDUCT, DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF EITHER OF THEM. NEITHER PARTY SHALL SEEK TO CONSOLIDATE, BY COUNTERCLAIM OR OTHERWISE, ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.

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

SOUTHERN ILLINOIS RAILCAR COMPANY

(SEAL)

By: *Paul J. P...*
Title: *President*

BANK ONE, SPRINGFIELD

(SEAL)

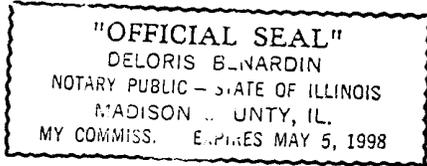
By: *R. Todd Gowerman*
Title: *Assistant Vice President*

STATE OF ILLINOIS)
)
COUNTY OF Madison)

SS:

On this 7th day of November, 1995, 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 the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed 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.

WITNESS my hand and notarial seal.



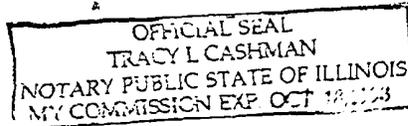
Deloris Bernardin
Notary Public

STATE OF ILLINOIS)
)
COUNTY OF Sangamon)

SS:

On this 7th day of November, 1995, before me, a Notary Public of the Count and State aforesaid, personally appeared R. Todd Hovermale, to me personally known, who being by me duly sworn, says that he is an Assistant Vice President of Bank One, Springfield, an Illinois banking corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed 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.

WITNESS my hand and notarial seal.



Tracy L. Cashman
Notary Public

EXHIBIT A

5250 C.F. ROUND HATCH-OFFSET COVERED HOPPER CARS-
SERIES NW 171500 - 171699BILLING INSTRUCTION ON 88 CARS TO:
FREIGHT CAR SERVERS
DANVILLE IL
NS-DANVILLE, CSX DELIVERY

NW 171500	NW 171563	NW 171627
NW 171501	NW 171565	NW 171628
NW 171502	NW 171567	NW 171629
NW 171503	NW 171568	NW 171634
NW 171504	NW 171569	NW 171635
NW 171505	NW 171570	NW 171636
NW 171507	NW 171572	
NW 171508	NW 171574	
NW 171509	NW 171575	
NW 171510	NW 171577	
NW 171511	NW 171579	
NW 171512	NW 171581	
NW 171513	NW 171582	
NW 171515	NW 171584	
NW 171516	NW 171585	
NW 171518	NW 171586	
NW 171519	NW 171587	
NW 171520	NW 171590	
NW 171521	NW 171591	
NW 171522	NW 171593	
NW 171524	NW 171594	
NW 171527	NW 171595	
NW 171528	NW 171596	
NW 171529	NW 171599	
NW 171530	NW 171600	
NW 171532	NW 171603	
NW 171533	NW 171606	
NW 171534	NW 171607	
NW 171536	NW 171609	
NW 171537	NW 171610	
NW 171538	NW 171615	
NW 171539	NW 171616	
NW 171540	NW 171618	
NW 171541	NW 171619	
NW 171547	NW 171620	
NW 171549	NW 171621	
NW 171550	NW 171622	
NW 171551	NW 171623	
NW 171553	NW 171624	
NW 171555	NW 171626	
NW 171556		
NW 171562		

5250 C.F. ROUND HATCH-OFFSET COVERED HOPPER CARS-
SERIES NW 171500 - 171699

BILLING INSTRUCTIONS ON 39 CARS TO:

METRO EAST IND.
ALORTON, IL
MS-EAST ST. LOUIS, ALS DELIVERY

NW 171638
NW 171639
NW 171641
NW 171642
NW 171643
NW 171646
NW 171647
NW 171648
NW 171651
NW 171653
NW 171654
NW 171655
NW 171658
NW 171659
NW 171660
NW 171662
NW 171665
NW 171666
NW 171667
NW 171668
NW 171670
NW 171671
NW 171672
NW 171673
NW 171674
NW 171677
NW 171679
NW 171681
NW 171682
NW 171684
NW 171685
NW 171686
NW 171687
NW 171689
NW 171691
NW 171693
NW 171694
NW 171695
NW 171697

5200 C.F. ROUND HATCH-OFFSET COVERED HOPPER CARS-
SERIES NW 71700 - 71750

BILLING INSTRUCTIONS ON 41 CARS TO:
THE ANDERSONS \ HUGO YARD
FORT WAYNE, IN
NS-DELIVERY

NW 71700	NW 172976
NW 71701	NW 172977
NW 71706	NW 172979
NW 71708	NW 172981
NW 71709	NW 172986
NW 71712	NW 172987
NW 71714	NW 172993
NW 71715	NW 172996
NW 71717	NW 172998
NW 71719	NW 172999
NW 71720	
NW 71722	
NW 71723	
NW 71724	
NW 71725	
NW 71726	
NW 71727	
NW 71729	
NW 71730	
NW 71732	
NW 71735	
NW 71736	
NW 71737	
NW 71738	
NW 71743	
NW 71744	
NW 71745	
NW 71746	
NW 71747	
NW 71748	
NW 71749	

5200 C.F. TROUGH HATCH COVERED HOPPER CARS-
SERIES NW 172000 - 172799

BILLING INSTRUCTIONS ON 15 CARS TO:

BUNGE
DECATUR, AL
NS-DECATUR, CSX DELIVERY

- NW 172231
- NW 172372
- NW 172451
- NW 172769
- NW 172771
- NW 172772
- NW 172779
- NW 172787
- NW 172790
- NW 172791
- NW 172793
- NW 172794
- NW 172795
- NW 172796
- NW 172799

5200 C.F. ROUND HATCH-OFFSET COVERED HOPPER CARS-
SERIES NW 172000 - 172999BILLING INSTRUCTIONS ON 65 CARS TO:
THE ANDERSONS
MAUMEE, OH
NS-DELIVERY

NW 172785	NW 172899
NW 172806	NW 172902
NW 172808	NW 172907
NW 172810	NW 172909
NW 172815	NW 172910
NW 172816	NW 172912
NW 172819	NW 172916
NW 172820	NW 172922
NW 172821	NW 172924
NW 172822	NW 172926
NW 172825	NW 172929
NW 172827	NW 172930
NW 172831	NW 172939
NW 172833	NW 172942
NW 172834	NW 172949
NW 172836	NW 172955
NW 172837	NW 172958
NW 172840	NW 172962
NW 172843	NW 172965
NW 172844	NW 172966
NW 172845	NW 172967
NW 172849	NW 172971
NW 172850	NW 172972
NW 172853	NW 172974
NW 172858	
NW 172859	
NW 172860	
NW 172861	
NW 172866	
NW 172868	
NW 172869	
NW 172870	
NW 172873	
NW 172876	
NW 172877	
NW 172885	
NW 172886	
NW 172887	
NW 172888	
NW 172895	
NW 172897	

EXHIBIT B

LEASE AGREEMENT

This LEASE AGREEMENT ("Lease") is made and entered as of the _____ day of _____, 19____ between SOUTHERN ILLINOIS RAILCAR CO., an Illinois corporation (hereinafter called "SIRC;"), and the _____ (hereinafter called "Lessee").

RECITALS

Lessee desires to lease from SIRC as Lessor certain railroad cars, hereinafter specifically designated, all upon the rentals, terms and conditions set forth in this Lease.

AGREEMENT

It is agreed:

1. Lease of Cars. Lessor agrees to lease to Lessee and Lessee agrees to and does hereby lease from Lessor _____ cubic foot Cars (the term "Cars" and other terms used herein are defined in Paragraph 28 hereof). The Cars covered by this Lease are those which shall be delivered to and accepted by Lessee pursuant to Paragraphs 2 and 3 hereof. The Lease shall become effective as to any Car immediately upon its acceptance pursuant to Paragraph 3.

2. Delivery of Cars. Lessor shall deliver the Cars as promptly as is reasonably practicable. Lessor's obligations with respect to delivery of all or any of the Cars are hereby made expressly subject to, and Lessor shall not be responsible for, failure to deliver or delays in delivering Cars due to labor difficulties, fire, delays and defaults of carriers and material suppliers of Car manufacturers, acts of God, governmental acts, regulations and restrictions or any other causes, casualties or contingencies beyond Lessor's control. The Cars shall be delivered to Lessee's designated point ("Delivery Point") at the expense of the Lessor. From and after acceptance of a Car, Lessee shall be liable for, and shall pay or reimburse Lessor for the payment of, all costs, charges and expenses of any kind whatsoever on account of or relating to switching, demurrage, detention, storage, transportation or movement of a Car, including specifically, but not exclusively, freight and switching charges for movement at any time and from time to time and from car shops, storage or terminal facilities.

3. Condition of Cars - Acceptance. All cars delivered hereunder shall be in satisfactory condition for movement in the normal interchange of rail traffic and shall otherwise comply with the description and/or specifications contained in Exhibit A; but Lessee shall be solely responsible for determining that Cars are in proper condition for loading and shipment. Lessee may have its authorized representative inspect such Cars at the point of delivery and accept or reject them as to condition. Cars so inspected and accepted and shall upon delivery thereof to Lessee as

above provided be conclusively deemed to be accepted and subject to this Lease and to meet all requirements of this Lease. Lessee shall issue and deliver to Lessor with respect to all Cars accepted, a Certificate of Inspection and Acceptance in the form of Exhibit B. In all events, this Lease Agreement shall be fully effective with respect to that number of Cars accepted by Lessee, and Lessor shall suffer no bias by reason of failure to provide the full number of Cars set forth in Exhibit A.

4. Use and Possession. Throughout the continuance of this Lease so long as Lessee is not in default hereunder, Lessee shall be entitled to possession of each Car from the date the Lease becomes effective as to such Car (a) on its own property or lines; or (b) upon the lines of any railroad or other person, firm or corporation in the usual interchange of traffic; provided, however, that Lessee agrees that the Cars shall at all times be used (i) in conformity with Interchange Rules and Lessee shall indemnify and save harmless Lessor from any and all liabilities that may arise from any infringement or violation of any such laws or rules by Lessee, its agents, or any other person (ii) in compliance with the terms and provisions of this Lease; (iii) in a careful and prudent manner, solely in the use, service and manner for which they were designed; and (iv) only within the continental limits of the United States of America. Lessee shall not use the cars for loading, storage, or hauling any corrosive, hazardous, toxic, or radioactive substances.

5. Term. This Lease Agreement shall be for a term of _____ (_____) years, hereinafter referred to as "Lease Year(s)", the first of which shall commence on the first day of the month following the month in which the last Car is delivered and accepted hereunder pursuant to Paragraphs 2 and 3 (the "Commencement Date"). All of the terms and provisions of this Lease Agreement shall apply and be in full force and effect with respect to Cars delivered to Lessee prior to the Commencement Date.

6. Rental. Lessee shall pay to Lessor monthly rental at the rate of _____ (_____) per Car commencing on the delivery date (the "Rental Commencement Date") and terminating upon the expiration of the _____ (_____) Lease Year, and return of the Units in compliance with this Lease. Rental for each Car for any partial month shall be equal to _____ (_____) Dollars per day.

7. Payment. Lessee shall make payment of all sums due hereunder to Lessor in immediately available funds at the address provided in Paragraph 21 hereof, or at such other place as Lessor may direct. Rental payments shall be made monthly in advance on or before the 1st day of each month for which such rental relates and is due.

8. Title. Lessee shall not by reason of this Lease or any action taken hereunder acquire or have any right or title in the Cars except the rights herein expressly granted to it as Lessee.

9. Repair and Expenses. Lessee shall perform or cause to be performed and shall pay all costs and expenses of all Repair Work without any abatement in rent or other loss, cost or expense to Lessor. Any parts, replacements or additions made to any Car shall be accessions to such Car and title thereto shall be immediately vested in Lessor without cost or expense to Lessor. Other expenses in connection with the ordinary use of the Cars shall be borne by Lessee. Except as provided herein, Lessee shall not make any alterations or modifications to any Cars without the prior written consent of Lessor.

10. Substitution of Cars. Lessor may, at any time and from time to time, replace any Withdrawn Cars or Casualty Cars with Replacement Cars and such Replacement Cars shall be deemed to be subject to all terms and conditions of this Lease as if the same had been originally delivered to Lessee at the time and in the place of the cars for which they are substituted. The parties shall execute amendments to this Lease and such other or further documents as may be required by either party hereto to evidence the withdrawal from and termination of this Lease with respect to Withdrawn Cars or Casualty Cars, or to include any Replacement Cars within the terms and provisions of this Lease and of any other document under which Lessor has assigned its rights hereunder, as permitted in Paragraph 19 hereof.

11. No Abatement or Rent. Rental payments on any Car shall not abate if such Car is out of service for Repair Work nor on account of any other reason whatsoever.

12. Taxes and Insurance. Lessee shall be liable for and pay or reimburse Lessor for payment of all Federal, State or other governmental charges or taxes assessed or levied against the Cars, including but not limited to (i) all Federal, State or local sales or use taxes imposed upon or in connection with the Cars, this Lease, or the manufacture, acquisition, or use of the Cars for or under this Lease; (ii) all taxes, duties or imports assessed or levied on the Cars or this Lease by a foreign country; (iii) all personal property and ad valorem taxes; and (iv) all taxes or governmental charges assessed or levied upon its interest as Lessee of Cars. If any levy or assessment is made against Lessor or which Lessor shall pay on account of any of the foregoing matters or on account of its ownership of the Cars, exclusive, however, of any taxes on the net income of Lessor therefrom (except any such tax which is in substitution for, or relieves the Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as hereinbefore provided), Lessee will promptly pay or reimburse Lessor for same; however, the Lessee may in good faith and by appropriate legal or administrative proceedings contest the validity or amount thereof unless thereby, in the judgement of Lessor, the rights or interest of Lessor in and to the Cars will be materially endangered. In the event any tax reports are required to be made on the basis of individual Cars, the Lessee will either make such reports in such manner as to show the ownership of such Cars by Lessor or will notify Lessor of such requirements and will

make such report in such manner as shall be satisfactory to Lessor.

Lessee shall, at its own cost and expense, with respect to each Car, at all times maintain and furnish Lessor with evidence of insurance against all risks assumed by Lessee under Paragraphs 14 and 16 hereof (including, without limitation, physical damage insurance as per Exhibit "C", and liability insurance) protecting Lessor, in such companies, in such amounts (with respect to liability insurance including, without limitation, coverage limits of not less than ten million dollars), and with such endorsements as Lessor shall from time to time request. Lessee's obligation to maintain insurance with respect to each Car shall commence on the delivery date of such Car and shall continue until the Lease term thereof terminates and, if such is required hereunder to be returned to Lessor, until such return. Lessee shall cooperate and, to the extent possible, cause others to cooperate with Lessor and all companies providing any insurance to Lessee or Lessor or both with respect to the Cars.

13. Liens. Lessee shall keep the Cars free from any and all encumbrances or liens in favor of anyone claiming by, through or under Lessee which may be a cloud upon or otherwise affect Lessor's title, including, but not limited to liens and encumbrances which arise out of any suit involving Lessee, or any act, omission or failure of Lessee to comply with the provisions of this Lease, and Lessee shall, at its sole expense, promptly discharge any such lien, encumbrance or legal process.

14. Indemnity. Lessee will indemnify Lessor against any loss, liability, damage, claim expense (including attorney's fees and expenses of litigation) or injury imposed on, incurred by, or asserted against Lessor arising directly or indirectly out of Lessee's, its consignee's or shipper's use, lease possession or operation of the Cars occurring during the term of this Lease, or out of the loading, unloading, storage, transportation, or movement of the contents of such Cars, however occurring, except any loss, liability, damage, claim, expense or injury which is directly attributable to the sole negligence or intentional act or omission of Lessor or for which a railroad or railroads have assumed full responsibility and satisfied such responsibility. All indemnities contained in this Lease shall survive the termination hereof, however same shall occur.

15. Lettering - Inventory. Except for renewal and maintenance of lettering indicating the rights of Lessor or any assignee of Lessor or that the Car is leased to the Lessee or to a Sublessee, no lettering or marking shall be placed upon any of the Cars by Lessee except upon the written direction or consent of Lessor; except for original markings performed by Lessee to initial and number the Cars. Such information will be supplied to Lessor. Lessor may at its own cost and expense inspect the Cars from time to time wherever they may be, and Lessee shall, upon request of Lessor, but no more than once every year, furnish to Lessor its certified inventory of all Cars then covered by this Lease.

16. Loss, Theft or Destruction of Cars. In the event any Car is lost, stolen, destroyed or damaged beyond economic repair, Lessee shall, by notice, promptly and fully advise Lessor of such occurrence. Lessee shall, within 45 days after demand by Lessor, promptly make payment to Lessor in the same amount as is prescribed in the schedule attached hereto as Exhibit C and made part hereof for the loss of such Car. This Lease shall terminate with respect to a Casualty Car on the date Lessor shall receive payment for such Casualty Car with respect thereto, and thereafter Lessee shall have no further liability to Lessor hereunder with respect thereto excepting liabilities arising or existing under Paragraphs 6,9,12,13, and 14 hereof and the liability, if any, of Lessee to make payments pursuant to this Paragraph.

17. Return of Cars. Upon the expiration or upon the termination of this Lease with respect to any Car (other than pursuant to Paragraph 16 hereof), Lessee shall at its sole cost and expense forthwith surrender possession of such Car to Lessor by delivering same to Lessor at such shop, storage or terminal facility as it may designate by notice to Lessee. Each Car so surrendered shall be jointly inspected, and be in the same or as good condition, order or repair as when delivered to Lessee, wear and tear from ordinary use and the passage of time excepted, and shall be in need of no repairs for which Lessee is liable under Paragraph 9. Until the delivery of possession to Lessor pursuant to this Paragraph 17, Lessee shall continue to be liable for and shall pay rental at the rate being paid immediately prior to termination or expiration, and Lessee shall in addition make all payments and keep all obligations and undertakings required of Lessee under any and all provisions of this Lease as though such termination or expiration had not occurred. After marshalling, inspection and completion at Lessee's cost of any repairs, Lessee shall provide for up to 90 days' storage and thereafter movement of the Cars on Lessee's or its affiliates' lines, at no cost to Lessor and to such points as designated by notice from Lessor.

18. Default. If Lessee shall fail to make any payment required hereunder within 20 days after same shall have become due and shall default or fail for a period of 20 days in the due observance or performance of any covenant, condition or agreement required to be observed or performed on its part hereunder, or if a proceeding shall have been commenced by or against Lessee under any bankruptcy laws, Federal or State, or for the appointment of a receiver, assignee or trustee of Lessee or its property, or if Lessee shall make a general assignment for the benefit of creditors, then and in any of said events Lessor may at its election --

(a) Terminate this Lease by written notice to such effect, and retake the Cars and thereafter recover as liquidated damages (and not as a penalty), it being acknowledged by the parties that actual damages are difficult or impossible to estimate and that the following is a reasonable pre-estimate of the probable loss, any and all costs and expenses of termination, retaking and

reselling or re-leasing (including, without limitation, reasonable attorneys' fees) in addition to the present value (using a discount rate of ten percent (10%)) of all rental for the unexpired balance of the Lease term unpaid as of said date of termination, Lessor may sell the Cars at public or private sale, with or without notice, advertisement, or publication, as Lessor may determine, or otherwise dispose of, hold, use, operate, lease to others or keep idle the Cars as Lessor in its sole discretion may determine, all free and clear of any rights of Lessee and without any duty to account to Lessee with respect to such action or inaction or for any proceeds with respect thereto; or

(b) Without terminating the Lease, repossess the Cars, but in the event the Cars are delivered to Lessor or are repossessed, Lessor shall use reasonable efforts to relet the same or any part thereof to others upon a reasonable rental and such other terms as it may see fit. The proceeds of any such reletting shall first be applied to the expenses (including reasonable attorneys' fees) of retaking and reletting of the Cars and delivery to the new lessee and then to the payment of rent due under this Lease. Lessee shall pay any deficiency remaining due after so applying the proceeds as the same accrue. The election of Lessor to relet the Cars and the acceptance of a new lessee shall not operate to release Lessee from liability for any existing or future default in any other covenant or promise herein contained.

The obligation to pay any deficiency or any sum or sums due and unpaid or any damages suffered by reason of Lessee's default hereunder shall survive the termination of the Lease and the retaking of the Cars. The remedies in this Lease shall not be deemed exclusive, but shall be cumulative and shall be in addition to all other remedies existing at law or in equity.

19. Sublease and Assignment. The right to assign this Lease by either party and the Lessee's right to sublease shall exist only as follows:

(a) Lessee shall have no right to assign or sublease or loan any of the Cars without the prior written consent of Lessor.

(b) All rights of Lessor hereunder may be assigned, pledged, mortgaged, transferred or otherwise disposed of either in whole or in part without notice to Lessee. This Lease and Lessee's rights hereunder are and shall be subject and subordinate to any chattel mortgage, security agreement or equipment trust or other security instrument covering the Cars heretofore or hereafter created by Lessor. If Lessor shall give written notice to Lessee stating the identity and post office address of any assignee entitled to receive future rentals and any sums payable by Lessee hereunder, Lessee shall thereafter make such payments to the designated assignee.

The making of an assignment or sublease by Lessee or an assignment by Lessor shall not serve to relieve Lessee of any liability or undertaking hereunder upon any such assignee or sublease except as otherwise provided herein or expressly assumed in writing by such sublessee or assignee.

20. Opinion of Counsel. Upon the request of Lessor or its assignees at any time or times, Lessee will deliver to Lessor a favorable opinion of counsel for Lessee, addressed to Lessor or its assignee in form and substance satisfactory to counsel for Lessor or its assignee, which opinion shall be to the effect that:

(a) Lessee is a corporation duly organized and validly existing in good standing under the laws of the state of its incorporation, and has taken all corporate action necessary validly to enter into this Lease and carry out its obligations hereunder,

(b) this Lease has been duly executed on behalf of Lessee and constitutes the legal, valid and binding obligation of Lessee, enforceable in accordance with its terms;

(c) the Cars which are then subject to this Lease are held by Lessee under and subject to the provisions of this Lease prior to any lien, charge or encumbrance in favor of anyone claiming by, through or under Lessee; and all of the Cars were, upon delivery to Lessee, in condition satisfactory to Lessee and were accepted by Lessee in accordance with the terms of this Lease;

(d) neither Lessee nor its counsel know of any requirement for recording, filing or depositing this Lease, other than with the Interstate Commerce Commission in accordance with 49 U.S.C.A. Section 11303, which is necessary to preserve or protect the title of Lessor its assignee in the Cars in the United States of America; and

(e) no governmental, administrative or judicial authorization, permission, consent or approval is necessary on the part of Lessee in connection with this Lease or any action contemplated on its part thereunder.

21. Notice. Any notice required or permitted to be given pursuant to the terms of this Lease shall be properly given when made in writing, deposited in the United States mail, registered or certified, postage prepaid, addressed to:

Lessor at: Southern Illinois Railcar Co., Inc.
1 Mark Twain Plaza
Suite 225
Edwardsville, IL 62025

Lessee at: _____

or at such address as either party may from time to time designate by such notice in writing to the other.

22. Warranty - Representations.

(a) LESSOR, NOT BEING THE MANUFACTURER OF THE CARS HEREBY EXPRESSLY DISCLAIMS AND MAKES NO WARRANTY OR REPRESENTATION OF ANY KIND, EITHER EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING SPECIFICALLY, BUT NOT EXCLUSIVELY, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR THE DESIGN, WORKMANSHIP, CONDITION OR QUALITY OF THE CARS OR PARTS THEREOF WHICH CARS HAVE BEEN ACCEPTED BY LESSEE HEREUNDER.

(b) IN NO EVENT AND UNDER NO CIRCUMSTANCES WILL LESSOR BE LIABLE TO LESSEE OR ANY OTHER PERSON OR ENTITY FOR ANY SPECIAL, COLLATERAL, EXEMPLARY, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY NATURE OR KIND WHATSOEVER IN CONNECTION WITH THE LEASE, USE, POSSESSION OR OPERATION OF THE CARS OR IN CONNECTION WITH LESSOR'S PERFORMANCE HEREUNDER OR THE BREACH OF ANY WARRANTY OR BREACH OF ANY OF THE PROVISIONS OF THIS AGREEMENT, OR ARISING BY REASON OF ANY IMPERFECTION OR DEFECT IN THE CARS, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, REGARDLESS OF WHETHER BASED IN TORT OR IN CONTRACT.

(c) Lessee represents that all of the matters set forth in Paragraph 20(a) through and including (e) are true and correct as of the date of this Lease, and Lessee shall notify Lessor in writing upon the occurrence of any event or the existence of any facts or circumstances which render or would render with the passage of time such matters not true and correct.

23. Governing Law - Writing. The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of Illinois. The terms of this Lease and the rights and obligations of the parties hereto may be changed or terminated only by agreement in writing signed by the party against whom enforcement of such change or termination is sought.

24. Counterparts. This Lease may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which may be evidenced by any such signed counterpart.

25. Severability - Waiver. If any term or provision of this Lease or the application thereof to any persons or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each provision of this Lease shall be valid and be enforced to the fullest extent permitted by law. Failure of Lessor to exercise any rights hereunder shall not constitute a waiver of any such right upon the continuation of recurrence of the situation or contingency giving

rise to such right.

26. Past Due Payments. Any nonpayment of rentals or other sums due hereunder, whether during the period within which a default may be cured or for a longer period, and whether or not deemed a default or violation of this Lease, shall result in the obligation on the part of the Lessee to pay also an amount of interest equal to twelve percent (12%) per annum (or if such rate may not lawfully be charged, then the highest rate which may be lawfully charged) of such overdue sum for the period of time such sum is overdue and unpaid.

27. Definitions. For all purposes of this Lease the following terms shall have the following meaning:

(a) "Cars" -- railroad cars of the type, construction and such other description as is set forth in Exhibit A, attached hereto and made a part hereof.

(b) "Interchange Rules" -- all codes, rules, regulations, laws and orders governing hire, use, condition, repair and all other matters pertaining to the interchange of freight traffic reasonably interpreted as being applicable to the Cars, as adopted and in effect from time to time by the Association of American Railroads and any other organization, association, agency or governmental authority, including the Interstate Commerce Commission and the United States Department of Transportation, which may from time to time be responsible for or have authority to impose such codes, rules, interpretations, laws or orders.

(c) "Repair Work" -- all repairs, maintenance, modifications, additions or replacements required to keep and maintain the Cars in good working order and repair in accordance with and on the effective date of the requirements of all Interchange Rules.

(d) "Withdrawn Cars" -- Cars as to which this Lease has been terminated by Lessor because deemed by Lessor to be unsuitable or uneconomical for Repair Work.

(e) "Casualty Cars" -- Cars which are lost, stolen, destroyed or damaged beyond economical repair.

(f) "Replacement Cars" -- Cars of substantially similar description and specifications to that set forth in Exhibit A which are substituted for Withdrawn or Casualty Cars.

28. Benefit. Except as otherwise provided herein the covenants, conditions and agreements contained in this Lease shall bind and inure to the benefit of the parties and (to the extent permitted in Paragraph 19 hereof) their successors and assigns. Without limiting the generality of the foregoing, the indemnities of the Lessee contained in Paragraph 14 hereof shall apply to and inure to the benefit of any assignee of Lessor, and if such

assignee is a trustee or secured party under an indenture under which evidence of indebtedness has been issued in connection with the financing of the Cars, then also to the benefit of any holder of such evidence of indebtedness.

29. Recording. Upon request by Lessor, Lessee shall join in the execution of a memorandum or short form of this Lease for use in recordation under 49 U.S.C.A. Section 11303 or such recordation as Lessor reasonably deems appropriate. Said memorandum or short form of lease may describe the parties, the Cars being leased and the term of this Lease, including any options to extend, and shall incorporate the Lease by reference.

IN WITNESS WHEREOF, Lessor and Lessee have duly executed this Lease as of the day and year first above written.

SOUTHERN ILLINOIS RAILCAR CO.

By: _____
President

(SEAL)

ATTEST:

Secretary

a _____ Corporation

By: _____

Title: _____

(SEAL)

ATTEST:

Secretary

EXHIBIT "A"

_____ (____) _____ ton, _____ Cubic Foot capacity
covered hopper railcars bearing reporting marks as follows:

(To be provided)

OLD NUMBER

NEW NUMBER

EXHIBIT "B"
CERTIFICATE OF INSPECTION & ACCEPTANCE

The undersigned, _____,
the duly authorized representative of _____,
(the "Company"), hereby certifies to _____
(the "Lessor") that the _____ Railcar
bearing reporting mark _____ (the "Car") has been
delivered to the Company, has been inspected and meets all
regulatory requirements, and is in all respects acceptable to the
Company. This certificate is being delivered pursuant to Section
3 of the certain _____ Lease Agreement dated _____
by and between the Company and Lessor.

IN WITNESS WHEREOF, the undersigned, being the _____
of the Company, does hereunto set his hand as of this _____
day of _____, 199_, on behalf of the Company.

COMPANY:

BY: _____

PRINTNAME: _____

PRINT TITLE: _____

EXHIBIT "C"

_____ per Car

STATE OF ILLINOIS)
)ss
COUNTY OF MADISON)

On this _____ day of _____, 19__, before me personally appeared _____, to me personally known, who being by me duly sworn says that he is President of Southern Illinois Railcar Co. and _____ to me personally known to be the secretary of said corporation, that the seal, affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledge that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

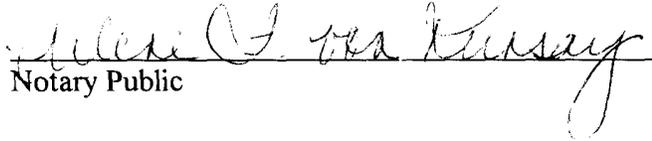
STATE OF _____)
)ss
COUNTY OF _____)

On this _____ day of _____, 19__, before me personally appeared _____, to me personally known, who being by me duly sworn says that he is _____ of the _____, and _____, to me personally known to be the Secretary of said corporation, that the seal affixed to the foregoing instrument is the corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledge that the foregoing instrument was the free act and deed of said corporation.

Notary Public

CERTIFICATION

I hereby certify that the attached photostat copy of the Security Agreement - Chattel Mortgage is a true and complete copy of the original Security Agreement - Chattel Mortgage.


Notary Public

ARLENE F. von KUNSAY,
Attorney At Law
Notary Public - State Of Ohio
My commission has no expiration date
Ohio Revised Code 147.03