

RECORDATION NO. 17850-C
FILED 1425
DEC 27 1994 -4 25 PM
INTERSTATE COMMERCE COMMISSION

FIRST AMENDMENT TO LOAN AGREEMENT,
CHATTEL MORTGAGE AND SECURITY AGREEMENT

THIS FIRST AMENDMENT TO LOAN AGREEMENT, CHATTEL MORTGAGE AND SECURITY AGREEMENT (this "Agreement") is made this 23rd day of December, 1994, by and between SOUTHERN ILLINOIS RAILCAR COMPANY, an Illinois corporation (the "Borrower"), and THE FIRST NATIONAL BANK OF MARYLAND, a national banking association (the "Bank").

RECITALS:

A. The Borrower and the Bank entered into a Loan Agreement, Chattel Mortgage and Security Agreement dated June 30, 1992 (as amended, modified, substituted, extended, and renewed from time to time, the "Loan Agreement") pursuant to which the Bank agreed to make the Borrower the Loan described in the Loan Agreement. Terms defined in the Loan Agreement shall have the same meaning under this Agreement except as otherwise provided.

B. The Borrower wishes to release certain Railcars given as collateral to secure the Loan and substitute certain other railcars as collateral to secure the Loan, and the Bank has agreed subject to the execution of this Agreement.

C. The Bank and the Borrower have agreed to amend the Loan Agreement as set forth below.

AGREEMENTS

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Borrower and the Bank agree as follows:

1. The Recitals contained in this Agreement are incorporated herein by reference and are true and accurate in all material respects.

2. The Borrower hereby reissues all representations and warranties contained in the Loan Agreement as of the date of this Agreement.

3. The Bank hereby agrees to release from the lien and security interest of the Loan Agreement the twenty-six (26) Railcars described in the original Schedule 1 (the "Original Schedule 1") of the Loan Agreement (the "Released Railcars") together with that part of the Collateral associated with the Released Railcars upon the execution and delivery of this Agreement.

4. The Original Schedule 1 to the Loan Agreement is hereby deleted in its entirety and substituted in its place therefor is the Schedule 1 attached hereto as Exhibit A and made a part hereof, which describes the forty-nine (49) new railcars to be substituted for the Released Railcars as collateral under the Loan (the "Substituted Railcars").

5. The term "Railcars" shall hereafter be defined to include the Substituted Railcars and shall hereafter exclude the Released Railcars.

6. Contemporaneously with the execution and delivery of this Agreement, the Borrower shall execute and deliver or cause the execution and delivery to the Bank of any agreement, instrument or document required to perfect the Bank's security interest in the Railcars.

7. The Borrower reaffirms Section 4.1 of the Loan Agreement and hereby grants, conveys, pledges, mortgages, assigns, transfers and sets over to the Bank, and does hereby grant the Bank 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 following collateral (the "Collateral"), to have and to hold all and every part of the Collateral unto the Bank, its successors and assigns, for its and their own use and benefit forever:

(a) the Railcars;

(b) all improvements, additions, modifications, accessions, equipment, appurtenances and parts appertaining or attached to the Railcars, whether now owned or hereafter acquired, and all substitutions and replacements of the Railcars described above (the Railcars and the equipment described in this subsection (b) herein being hereinafter sometimes collectively called the "Equipment Collateral");

(c) all proceeds, rentals, casualty value payments or proceeds, settlement payments and requisition compensation from the sale, loss or other disposition of the Equipment Collateral;

(d) all rights, claims and causes of action, if any, that the Borrower may have now or in the future against The Andersons under the Purchase Agreement or any manufacturer or rebuilder of the Equipment Collateral (or any component thereof) or any other party, by Contract or otherwise, in respect of any defect in the Equipment Collateral or any part thereof;

(e) any agreement now or hereafter entered into for leasing, use or hire of the Railcars to any third party, including, without limitation, the RGR Lease, together with all of the Borrower's right, title, interest, claims and demand in, to and under said agreements, including all extensions, renewals and replacements thereof, together with all rights, powers, privileg-

es, options, and other benefits of the Borrower, including, without limitation, the right to receive all notices, give consents, exercise any election or option, declare defaults and demand payments with respect thereto;

(f) all rent, issues, income, profits, damages and other moneys from time to time payable to or receivable by the Borrower in respect of the Equipment Collateral;

(g) all monies and other funds from time to time on deposit in the Collateral Account, all interest payable thereon, all rights and privileges incident thereto;

(h) all proceeds (cash and non-cash) thereof; and

(i) all books and records relating to any of the foregoing.

8. Except as expressly set forth above, the provisions of the Loan Agreement shall continue in full force and effect and are hereby ratified and confirmed. A default by the Borrower of any of the Borrower's representations, warranties and/or covenants under this Agreement shall be a default by the Borrower under the Loan Agreement. This Agreement may be executed and delivered in any number of counterparts and by telecopy transmission, all of which, taken together, shall constitute one agreement and any party hereto may execute this Agreement by signing any counterpart.

IN WITNESS WHEREOF, each of the parties hereto have executed and delivered this Agreement under their respective seals as of the day and year first written above.

WITNESS:

SOUTHERN ILLINOIS RAILCAR COMPANY

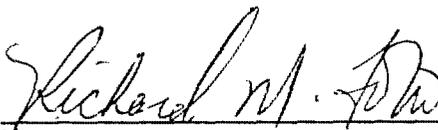


By:  (SEAL)
Fred L. Parsons
President

WITNESS:

THE FIRST NATIONAL BANK OF MARYLAND



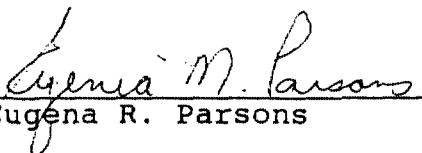
By:  (SEAL)
Name:
Title:

The undersigned respectively guaranteed to the Bank all or certain of the Obligations (as defined in the Loan Agreement) and hereby covenant and agree with the Bank that the execution of the foregoing Agreement and the transactions described therein and contemplated thereby do not and shall not in any manner affect their obligations and liabilities under the guaranty dated June 30, 1992 (the "Guaranty"), and that the Guaranty is hereby confirmed and remains in full force and effect. Notwithstanding any provision of the Guaranty to the contrary, in the event either of the undersigned become an "insider" (as defined from time to time in Section 101 of the Federal Bankruptcy Code) with respect to the Borrower, each of the undersigned which becomes an "insider" hereby waives any and all of following rights and/or remedies (i) of reimbursement, indemnification, and exoneration against each other, (ii) of contribution against each other and/or any other guarantor and (iii) of subrogation to the rights of the Bank, or (iv) any similar rights under any of the Borrower's agreements or any agreements of the undersigned, whether such rights arise under an express or implied contract, or operation of law. Each of the undersigned intends hereby that it shall not be deemed a "creditor" (as defined from time to time in Section 101 of the Federal Bankruptcy Code) of the Borrower by reason of the existence of the Guaranty.

Dated this 23rd day of December, 1994.

WITNESS:



Fred L. Parsons (SEAL)

Eugenia R. Parsons (SEAL)

SCHEDULE 1

<u>Markings</u>	<u>Car Numbers</u>	<u>Number of Cars</u>
SIRX	472504	1
SIRX	35179	1
SIRX	49603	1
SIRX	442701-442705	5
SIRX	442707-442712	6
SIRX	442714-442723	10
SIRX	400000-400004	5
SBD	249540	1
SIRX	2552 (A&B)	2
SIRX	4025 (A&B)	2
SIRX	202039 (A&B)	2
SIRX	262001 (A&B)	2
SIRX	262003 (A&B)	2
SIRX	262022 (A&B)	2
SIRX	262023 (A&B)	2
SIRX	262204 (A&B)	2
SIRX	4019	1
SIRX	4043	1
SIRX	4045	<u>1</u>

49 cars