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October 3, 1997

RECORDATION NO. 17850-E
FILED
OCT 8 '97 11-45 AM

via FEDERAL EXPRESS

Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001
Attention: Mrs. Janice Fort
Recordation

Re: Our File Number: 258-1733

Mrs. Fort:

Enclosed for recordation as a secondary document pursuant to the provisions of 49 U.S.C §11301(a) are one original and one notarized copy of the following document:

Memorandum of Third Amendment to Loan Agreement, Chattel Mortgage and Security Agreement dated September 25, 1997 by and between Southern Illinois Railcar Company (505 Buckeye Drive, Troy, Illinois 62294) and The First National Bank of Maryland (25 South Charles Street, Baltimore, Maryland 21201) which relates to the Original Loan Agreement dated June 30, 1992 between Southern Illinois Railcar Company (505 Buckeye Drive, Troy, Illinois 62294) and The First National Bank of Maryland (25 South Charles Street, Baltimore, Maryland 21201) which was recorded with the Surface Transportation Board on July 1, 1992 under Recordation No. 17850-B.

Also enclosed is a check in the amount of \$24.00 to cover the costs of recording this document.

Once this document has been recorded, please return the same to the undersigned.

Thank you for your prompt attention to this matter. Please call me at (410) 385-3425 if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Michele E. Sperato".

Michele E. Sperato
Assistant to John A. Stalfort

Enclosures

SURFACE TRANSPORTATION BOARD
WASHINGTON, D. C. 20423-0001

OFFICE OF THE SECRETARY

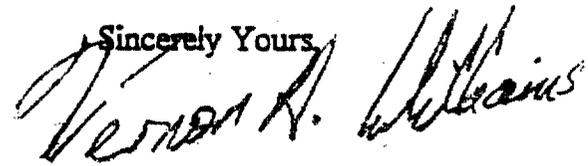
John A. Stalfort, Esq.
Miles & Stockbridge
10 Light Street m
Baltimore, Maryland 21202-1487

DATE: 10/8/97

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of 49 U.S.C. 11301 and 49 CFR 1177.3 (c), on 10/8/97 at 11:40AM and 11:45AM, and assigned recordation number(s). 20926, 20926-A, 20927, 20928, 20928-A and 17850-E.

Sincerely Yours,

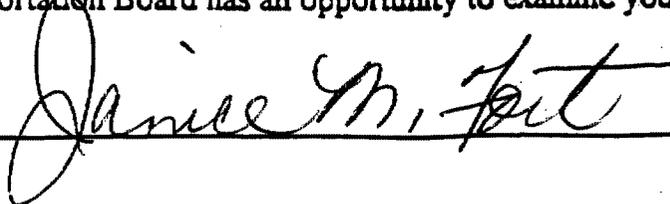


Vernon A. Williams
Secretary

Enclosure(s)

\$ 144.00 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. In the event of an error or any questions concerning this fee, you will receive a notification after the Surface Transportation Board has an opportunity to examine your document.

Signature



OCT 8 '97

11-45 AM

**MEMORANDUM OF THIRD AMENDMENT TO LOAN
AGREEMENT, CHATTEL MORTGAGE AND SECURITY AGREEMENT**

THIS MEMORANDUM OF THIRD AMENDMENT TO LOAN AGREEMENT, CHATTEL MORTGAGE AND SECURITY AGREEMENT (this "Memorandum") is made this 25th day of September, 1997, 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").

A. Borrower and Bank are parties to that certain Loan Agreement, Chattel Mortgage and Security Agreement dated June 30, 1992 (the "Original Loan Agreement"), pursuant to which Bank agreed to make Borrower the loan described in the Original Loan Agreement (the "Original Loan"). Borrower and Bank entered into a First Amendment to Loan Agreement, Chattel Mortgage and Security Agreement dated December 23, 1994 (the "First Amendment") pursuant to which Bank released certain railcars given as collateral to secure the Original Loan and certain other railcars were substituted as collateral to secure the Original Loan. Borrower and Bank entered into a Second Amendment to Loan Agreement, Chattel Mortgage and Security Agreement dated August 1, 1997 (the "Second Amendment") pursuant to which Bank released certain railcars given as collateral to secure the Original Loan and certain other railcars were substituted as collateral to secure the Original Loan. The Original Loan Agreement, the First Amendment and Second Amendment were recorded with the Surface Transportation Board (formerly the Interstate Commerce Commission) on July 1, 1992 under Recordation No. 17850-B; on December 27, 1994 under Recordation No. 17850-C, and on August 18, 1997 under Recordation No. 17850-D, respectively.

B. Borrower and Bank entered into that certain Third Amendment to Loan Agreement, Chattel Mortgage and Security Agreement dated September 25, 1997 (the "Third Amendment"), pursuant to which Bank has funded Borrower additional amounts under the Original Loan as contemplated by the Second Amendment and Borrower has agreed to pledge certain additional railcars as collateral to secure the Original Loan and the new portion thereof (collectively the "Loan").

C. To secure payment and performance of Borrower's obligations to the Bank, Borrower granted to Bank pursuant to the Third Amendment 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 more particularly described on Exhibit A hereto (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 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 Leases, 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, privileges, options, and other benefits of the Borrower, including, without limitation, the right to receive all notices, given 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 (as defined in the Original Loan Agreement), all interest payable thereon, and 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.

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

WITNESS:

SOUTHERN ILLINOIS RAILCAR COMPANY

[Signature]

By:

[Signature]

Fred L. Parsons
President

WITNESS:

THE FIRST NATIONAL BANK OF MARYLAND

Deborah J. Hooper

By:

[Signature]

Name: Richard M. Folio
Title: Vice President

STATE OF ILLINOIS)

) SS

COUNTY OF Madison)

I, Janice A. Tweedy, a Notary Public in and for said State, certify that FRED L. PARSONS, personally known to me to be the President of SOUTHERN ILLINOIS RAILCAR COMPANY, an Illinois corporation, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person; that said FRED L. PARSONS acknowledged the execution of said instrument as his free and voluntary act and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 22nd day of September, 1997.

Janice A. Tweedy
Notary Public

My commission expires:
February 23, 2000



STATE OF MARYLAND

CITY OF BALTIMORE, TO WIT:

THIS IS TO CERTIFY that the attached Memorandum of Third Amendment to Loan Agreement, Chattel Mortgage and Security Agreement is a true and complete copy of such Memorandum of Third Amendment to Loan Agreement, Chattel Mortgage and Security Agreement.

WITNESS my hand and seal this 3rd day of October, 1997.


Michele E. Sperato
Notary Public

My Commission Expires:

January 28, 2001

EXHIBIT A

(Description of Railcars)

Railcars leased to Gateway Western:

GWR 75081
GWR 75094
GWR 75121
GWR 75175
GWR 75231
GWR 75355
GWR 75498
GWR 75579
GWR 75587
GWR 75655
GWR 75679
GWR 76010
GWR 76050
GWR 76154
GWR 76209
GWR 76235
GWR 76390
GWR 76415
GWR 76479
GWR 76565