

Counterparts

RECORDATION NO. 21947 FILED

JAN 7 '99 1-20 PM

ALVORD AND ALVORD
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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

RECORDATION NO. 21947-A FILED

JAN 7 '99 1-20 PM

January 7, 1999

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Loan and Security Agreement, dated as of January 5, 1999, a primary document as defined in the Board's Rules for the Recordation of Documents and two (2) copies of a Memorandum of Full Recourse Assignment Agreement, dated as of December 30, 1998, a secondary document related thereto.

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

Debtor/Assignor: Southern Illinois Railcar Company
505 Buckeye Drive
Troy, Illinois 62294

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

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

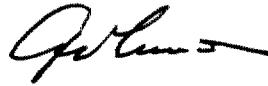
Set forth on the schedule attached hereto

Mr. Vernon A. Williams
January 7, 1999
Page 2

Also enclosed is a check in the amount of \$52.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of each of the enclosed documents to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/bg
Enclosures

**EXHIBIT A
LIST OF RAILCARS**

50 4000 cubic foot, 110-ton capacity, covered hopper railcars with trough hatches and gravity outlet gates bearing rail markings as follows:

BAR 000850	BAR 000851	BAR 000852	BAR 000853
BAR 000854	BAR 000855	BAR 000856	BAR 000857
BAR 000858	BAR 000859		
SIRX 400448	SIRX 400409	SIRX 400410	SIRX 400411
SIRX 400412	SIRX 400412	SIRX 400413	SIRX 400414
SIRX 400415	SIRX 400416	SIRX 400417	SIRX 400418
SIRX 400419	SIRX 400420	SIRX 400421	SIRX 400422
SIRX 400423	SIRX 400424	SIRX 400425	SIRX 400426
SIRX 400427	SIRX 400428	SIRX 400429	SIRX 400430
SIRX 400431	SIRX 400432	SIRX 400433	SIRX 400434
SIRX 400435	SIRX 400436	SIRX 400437	SIRX 400438
SIRX 400439	SIRX 400440	SIRX 400441	SIRX 400442
SIRX 400443	SIRX 400444	SIRX 400445	SIRX 400446
SIRX 400447			

77 3 Pocket Open Top Coal Hopper Cars bearing rail markings as follows:

ITLX 050000	ITLX 050030	ITLX 050058		
ITLX 050001	ITLX 050031	ITLX 050059		
ITLX 050002	ITLX 050032	ITLX 050060		
ITLX 050003	ITLX 050033	ITLX 050203		
ITLX 050004	ITLX 050034	ITLX 050204		
ITLX 050005	ITLX 050035	ITLX 050205		
ITLX 050006	ITLX 050036	ITLX 050206		
ITLX 050007	ITLX 050037	ITLX 050207		
ITLX 050008	ITLX 050038	ITLX 050208		
ITLX 050009	ITLX 050039	ITLX 050209		
ITLX 050010	ITLX 050040	ITLX 050210		
ITLX 050011	ITLX 050041	ITLX 050211		
ITLX 050012	ITLX 050042	ITLX 050212		
ITLX 050013	ITLX 050043	ITLX 050213		
ITLX 050014	ITLX 050044	ITLX 050214		
ITLX 050015	ITLX 050045	ITLX 050216		
ITLX 050016	ITLX 050046	ITLX 050217		
ITLX 050018	ITLX 050047	ITLX 050218		
ITLX 050019	ITLX 050048	ITLX 050219		
ITLX 050020	ITLX 050049	ITLX 050220		
ITLX 050021	ITLX 050050	ITLX 050221	ITLX 050022	ITLX 050051
ITLX 050023	ITLX 050052	ITLX 050025	ITLX 050053	ITLX 050026
ITLX 050054	ITLX 050027	ITLX 050055	ITLX 050028	ITLX 050056
ITLX 050029	ITLX 050057			

28 Railcars bearing rail markings as follows:

SIRX 442641	SIRX 442642	SIRX 442643	SIRX 442644	SIRX 442645
SIRX 442646	SIRX 442647	SIRX 442648	SIRX 442649	SIRX 442650
SIRX 442651	SIRX 442652	SIRX 442653	SIRX 442654	SIRX 442655
SIRX 442656	SIRX 442657	SIRX 442658	SIRX 442659	SIRX 442700
SIRX 442760	SIRX 442764	SIRX 442765	SIRX 442767	SIRX 442768
SIRX 442831	SIRX 442940	SIRX 442640		

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

OFFICE OF THE SECRETARY

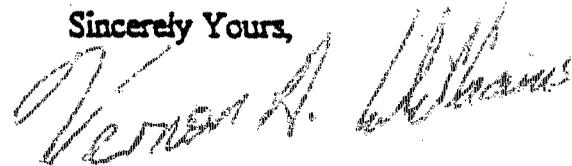
DATE: 1/7/99

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

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 1/7/99 at 1:20 PM, and
assigned recordation number(s). 21668-A, 21940, 21941, 21942, 21943
21944, 21945, 21946, 21947 and 21947-A.

Sincerely Yours,

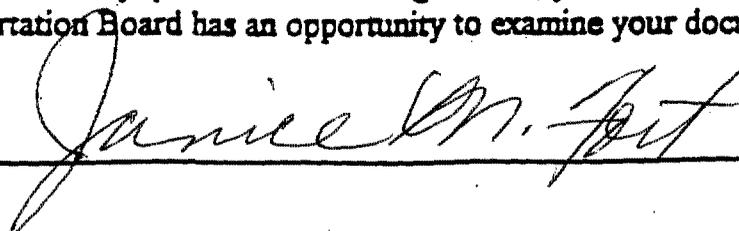


Vernon A. Williams
Secretary

Enclosure(s) (10)

\$ 260.00 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



MEMORANDUM OF
LOAN AND SECURITY AGREEMENT

THIS MEMORANDUM OF LOAN AND SECURITY AGREEMENT (the "Memorandum") dated as of January 5, 1999, is made by and between Charter Financial, Inc. a New York corporation, with an office at 153 East 53rd Street, New York, New York 10022 ("Charter"), and SOUTHERN ILLINOIS RAILCAR COMPANY, an Illinois corporation, with it chief executive office and principal place of business at Executive Park Two, 505 Buckeye Drive, Troy, Illinois 62294 and SOUTHERN ILLINOIS RAILCAR COMPANY, LLC, a Illinois limited liability company, with its chief executive office and principal place of business at Executive Park Two, 505 Buckeye Drive, Troy, Illinois 62294 (collectively the "Borrower").

Borrower and Charter hereby state the following:

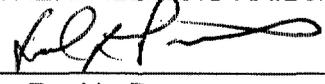
1. Borrower and Charter are parties to that certain Loan and Security Agreement dated as of 12/30, 1998 (the "Loan Agreement") (capitalized terms used herein and not otherwise defined shall have the meaning given in the Loan Agreement), whereby Charter loaned Borrower certain funds to facilitate the purchase or financing of the covered railcars more specifically identified on Exhibit A attached hereto and made a part hereof (the "Railcars").
2. Borrower's obligations under the Loan Agreement and other loan documents are evidenced by and payable in accordance with the Loan Agreement.
3. Pursuant to the terms of the Loan Agreement and to secure the payment and performance of any and all of Borrower's obligations to Charter, Borrower granted to Charter a continuing, first priority security interest in and to, and chattel mortgage lien on, all of the Borrower's right, title and interest in and to the railcars, to have and to hold all and every part of the railcars unto Charter, its successors and assigns, for its and their own use and benefit forever.

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

WITNESS:



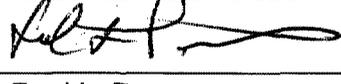
SOUTHERN ILLINOIS RAILCAR COMPANY

By: 
Fred L. Parsons
President

WITNESS:



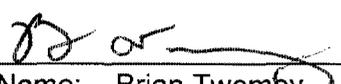
SOUTHERN ILLINOIS RAILCAR COMPANY, LLC

By: 
Fred L. Parsons
President

WITNESS:



CHARTER FINANCIAL, INC.

By: 
Name: Brian Twomey
Title: Vice President

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ITLX 050019	ITLX 050048	ITLX 050219		
ITLX 050020	ITLX 050049	ITLX 050220		
ITLX 050021	ITLX 050050	ITLX 050221	ITLX 050022	ITLX 050051
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SIRX 442831	SIRX 442940	SIRX 442640		

STATE OF ILLINOIS)
)
COUNTY OF Madison) SS:

On this 5th day of January, 1999, before me, a Notary Public of the County and State aforesaid, personally appeared Fred L. Parsons, to me personally known, who being by me duly sworn, says that he is the President of Southern Illinois Railcar Company, an Illinois corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.



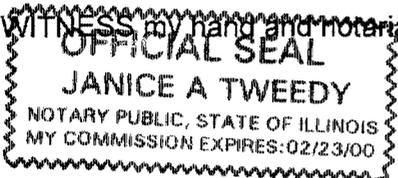
Janice A. Tweedy
Notary Public

My commission expires: Feb. 23, 2000

STATE OF ILLINOIS)
)
COUNTY OF Madison) SS:

On this 5th day of January, 1999, 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, LLC an Illinois ^{Company} limited liability company, that said instrument was signed on behalf of said ^{Company} 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 ^{Company} corporation.

AS WITNESS my hand and notarial seal.



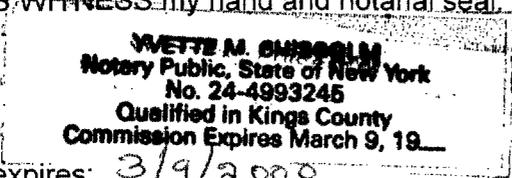
Janice A. Tweedy
Notary Public

My commission expires: Feb. 23, 2000

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

On this 6th day of January, 1999, before me, a Notary Public of the County and State aforesaid, personally appeared Brian Twomey, to me personally known, who being by me duly sworn, says that (s)he is the Vice President of Charter Financial, Inc, a New York corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.



Wette M. Chisolem
Notary Public

My commission expires: 3/9/2000