

OSTER

Researching Services

12897 Colonial Dr • Mt Airy, Md 21771
301-253-6040

20442 A

MAY 16 '97

9-40AM

May , 1997

Mr. Vernon Williams
Secretary
Surface Transportation Board
12th & Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recording with the Surface Transportation Board is a Memorandum of First Amendment to Loan Agreement, Chattel Mortgage, and Security Agreement and Fixed Line of Credit Advance Note dated 5/2/97.

Please record this agreement as a secondary document to the Loan Agreement, Chattel Mortgage, and Security Agreement dated 12/30/96, STB Recordation #20442, between Mark Twain Illinois Bank and Southern Illinois Railcar Company.

The filing fee of \$24 is enclosed. Thank you for your assistance.

Sincerely,

Mary Ann Oster

Mary Ann Oster
Research Consultant

Enclosures

#20442

counterpart - Mary Ann Oster

Surface Transportation Board
Washington, D.C., 20423-0001

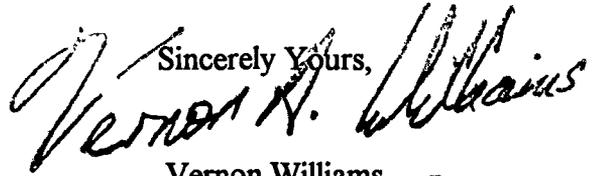
Oster
Researching Services
12897 Colonial DR.
Mt. Airy, MD. 21771

5-16-97

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 5-16-97 at, 9:40 AM and
assigned recordation number(s). 20442-A.

Sincerely Yours,

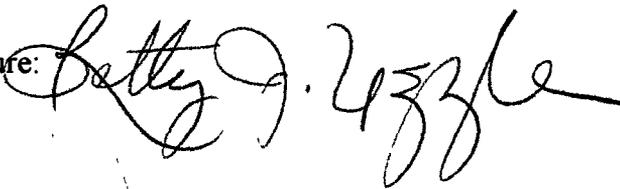


Vernon Williams
Secretary

Enclosed (s)

\$ 24.00 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 had an opportunity to examine your document.

Signature:



20442-A
MAY 16 '97

9-40AM

**MEMORANDUM OF FIRST AMENDMENT TO
LOAN AGREEMENT, CHATTEL MORTGAGE
AND SECURITY AGREEMENT AND
FIXED LINE OF CREDIT ADVANCE NOTE**

THIS MEMORANDUM OF FIRST AMENDMENT TO LOAN AGREEMENT, CHATTEL MORTGAGE AND SECURITY AGREEMENT AND FIXED LINE OF CREDIT ADVANCE NOTE (this "Memorandum") dated as of May 2, 1997, is made by and between MARK TWAIN ILLINOIS BANK, an Illinois banking corporation, with an office at One Mark Twain Bank Plaza, Edwardsville, Illinois 62025 (the "Bank") and SOUTHERN ILLINOIS RAILCAR COMPANY, an Illinois corporation, with its chief executive office and principal place of business at One Mark Twain Bank Plaza, Suite 225, Edwardsville, Illinois 62025 (the "Borrower").

Borrower and Bank hereby state the following:

1. Borrower and Bank are parties to that certain Loan Agreement, Chattel Mortgage and Security Agreement dated as of December 30, 1996 and recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on January 2, 1997 and assigned recordation number 20442 (the "Loan Agreement"; capitalized terms used herein and not otherwise defined shall have the meaning given in the Loan Agreement), whereby Bank loaned Borrower certain funds to facilitate the purchase of certain covered hopper railcars (the "Railcars").

2. Borrower and Bank are parties to that certain First Amendment to Loan Agreement, Chattel Mortgage and Security Agreement and Fixed Line of Credit Advance Note, dated May 2, 1997 (the "Amendment"), whereby Bank and Borrower renewed and amended the Loan Agreement to extend the term thereof, increase the amount borrowed thereunder and to secure the additional railcars identified on Exhibit A attached hereto and incorporated herein (the "Additional Railcars").

3. To secure the payment and performance of any and all of Borrower's obligations to Bank, Borrower, pursuant to the Amendment, and in addition to the collateral originally granted and pledged under the Loan Agreement, granted to 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 certain 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; such Collateral includes but is not limited to:

(a) the Additional Railcars;

(b) all improvements, additions, modifications, accessions, equipment, appurtenances and parts appertaining or attached to the Additional Railcars, whether now owned or hereafter acquired, and all substitutions and replacements of the Additional Railcars described above (the Additional Railcars and the equipment described in this

"Exhibit A"

1. ATSF 302491	26. ATSF 301591	51. ATSF 313438
2. ATSF 301508	27. ATSF 301691	52. ATSF 314263
3. ATSF 303064	28. ATSF 301694	53. ATSF 314353
4. ATSF 303420	29. ATSF 301731	54. ATSF 315121
5. ATSF 303601	30. ATSF 301744	55. ATSF 305966
6. ATSF 303675	31. ATSF 301749	56. ATSF 306831
7. ATSF 303707	32. ATSF 302944	57. ATSF 301532
8. ATSF 304026	33. ATSF 303367	58. ATSF 301578
9. ATSF 304120	34. ATSF 304191	59. ATSF 301666
10. ATSF 304235	35. ATSF 304652	60. ATSF 301676
11. ATSF 304274	36. ATSF 304976	61. ATSF 302345
12. ATSF 304408	37. ATSF 305111	62. ATSF 302491
13. ATSF 304570	38. ATSF 305731	63. ATSF 302624
14. ATSF 304637	39. ATSF 306225	64. ATSF 302985
15. ATSF 304793	40. ATSF 306748	65. ATSF 303354
16. ATSF 306114	41. ATSF 306792	66. ATSF 303371
17. ATSF 306222	42. ATSF 307505	67. ATSF 303394
18. ATSF 306447	43. ATSF 307728	68. ATSF 303494
19. ATSF 306842	44. ATSF 308717	69. ATSF 303542
20. ATSF 308700	45. ATSF 308737	70. ATSF 303617
21. ATSF 309019	46. ATSF 310523	71. ATSF 303727
22. ATSF 311450	47. ATSF 311149	
23. ATSF 304087	48. ATSF 311437	
24. ATSF 301523	49. ATSF 311888	
25. ATSF 301553	50. ATSF 312096	

subsection (b) herein being hereinafter sometimes collectively called the "Equipment Collateral");

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

(e) all rights, claims and causes of action, if any, that the Borrower may have now or in the future against any seller of the Additional Railcars under any applicable purchase agreement or any manufacturer or re-builder 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;

(f) all damages from time to time payable to or receivable by Borrower in respect of the Equipment Collateral;

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

(h) 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

Melanie A. Nolen

By:  (SEAL)
Fred L. Parsons
President

WITNESS:

MARK TWAIN ILLINOIS BANK

Melanie A. Nolen

By:  (SEAL)
Dennis M. Terry
Vice President

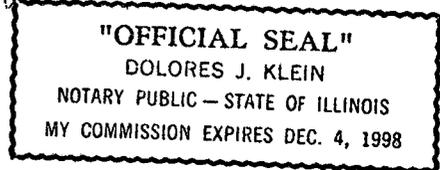
STATE OF ILLINOIS)
COUNTY OF Madison) SS:

On this 5th day of May, 1997, 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.

AS WITNESS my hand and notarial seal

Dolores J. Klein
Notary Public

My commission expires: 12-4-98



STATE OF ILLINOIS)
COUNTY OF Madison) SS:

On this 5th day of May, 1997, before me, a Notary Public of the County and State aforesaid, personally appeared Dennis M. Terry, to me personally known, who being by me duly sworn, says that he is Vice President of Mark Twain Illinois Bank, 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.

AS WITNESS my hand and notarial seal

Dolores J. Klein
Notary Public

My commission expires: 12-4-98

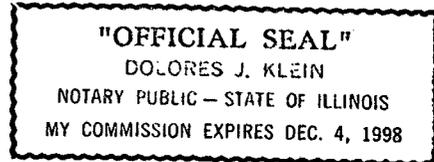


Exhibit A

(List of Additional Railcars)