

RECORDATION NO. **23889** FILED

ALVORD AND ALVORD
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MAR 7 '02 3-31 PM
TS
SURFACE TRANSPORTATION BOARD

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

OF COUNSEL
URBAN A. LESTER

March 7, 2002

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 Chattel-Mortgage and Security Agreement, dated as of May 16, 2001, a primary document as defined in the Board's Rules for the Recordation of Documents.

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

Borrower: Rail Dynamics, LLC
Troy Executive Park
505 Buckeye Drive
Troy, IL 62294

Secured Party: Cloverleaf Bank, SB
200 East Park Street
Edwardsville, IL 62025

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

31 covered hopper railcars

SOU88084	SOU88168	SOU88238	SOU88249	SOU88326
SOU88328	SOU88390	SOU88455	SOU88461	SOU88473
SOU88492	NS255034 <i>NS</i>	NW178365	NW178472	NW178526
NW178549	NW178509 <i>NS</i>	NW178851	SOU088057	SOU088061
SOU088081	SOU088119 <i>NS</i>	SOU088128	SOU088199	SOU088210
SOU088286	SOU088372	SOU088445	SOU088708	SOU088734
SOU088751	SOU088857			

Mr. Vernon A. Williams
March 7, 2002
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A short summary of the document to appear in the index follows:

Memorandum of Chattel-Mortgage and Security Agreement

Also enclosed is a check in the amount of \$28.00 payable to the order of the Surface Transportation Board covering the required recordation fee and cross-indexing fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/anm
Enclosures

MEMORANDUM OF CHATTEL MORTGAGE AND SECURITY AGREEMENT

THIS CHATTEL MORTGAGE AND SECURITY AGREEMENT (this "mortgage") dated as of May 16, 2001, is made by and between CLOVER LEAF BANK, SB, with an office at 200 East Park Street, Edwardsville, Illinois 62025 (the "Bank") and RAIL DYNAMICS, LLC an Illinois Ltd Liability Corp. with its chief executive office and principal place of business at Troy Executive Park, 505 Buckeye Drive, Troy, IL 62294 ("the borrower")

BORROWER AND BANK HEREBY STATE THE FOLLOWING:

1. Borrower and Bank are parties to a certain promissory note and loan agreement dated May 16, 2001 and Subject memorandum which will be recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S. C. 11303 whereby the Bank loaned Borrower certain funds to facilitate the purchase of certain covered hopper railcars as detailed on the attached "exhibit A".
2. To secure the payment and performance of any and all of Borrower's obligations to Bank, Borrower, pursuant to this "mortgage" grants 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. All accounts receivable of the company and
 - b. 32 covered hopper railcars as specifically identified on attached exhibit A.
 - c. 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 32 covered hopper rail cars described herein (32covered hopper railcars and the equipment described in this subsection (b) herein being hereinafter sometimes collectively called the "equipment collateral"
 - d. All of Borrower's right, title and interest in and to all moneys and claims for moneys due and to become due to borrower, its successors or assigns, (i) arising out of or in any way connected with the present or future use, operation, lease or management of the Railcars or arising out of or in any way connected with any and all present future requisitions, leases bills of lading, contracts and other engagements of affreightment or for the carriage or transportation of cargo, mail and/or passengers, and other operations of the Railcars, and (ii) all claims for damages, arising

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SURFACE TRANSPORTATION BOARD

out of the breach of any and all present and future leases, commitments to lease, bills of lading contracts and other engagements of affreightment or for the carriage or transportation of cargo, mail and/or passengers, and operations of every kind whatsoever of the railcars and in and to any and all claims and causes of action for money, loss or damages that may accrue or belong to borrower related to the railcars;

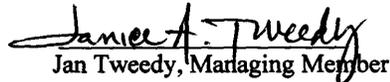
- e. All proceeds, casualty value payments or proceeds settlement payments and requisition compensation from the sale, loss or other disposition of the equipment collateral
- f. All rights, claims and causes of action, if any that the borrower may have now or in the future against any seller of the 32 covered hopper railcars under any applicable purchase agreement or any manufacturer or any other party, by contract or otherwise, in respect of any defect in the equipment collateral or any part thereof
- g. All damages from time to time payable to or receivable by borrower in respect of the equipment collateral
- 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.

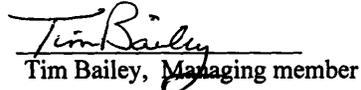
WITNESS:

RAIL DYNAMICS, LLC

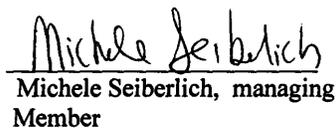



Jan Tweedy, Managing Member

CLOVER LEAF BANK, SB


Tim Bailey, Managing member


Lisa M. Fowler, Senior Vice President


Michele Seiberlich, managing Member

STATE OF ILLINOIS)
) SS:
COUNTY OF MADISON)

On this 16th day of May, 2001, before me, a notary public of the county and state aforesaid, personally appears Michele Seiberlich, Jan Tweedy, and Tim Bailey, to me personal known or duly sworn before me state that they are the managing members of RAIL DYNAMICS LLC, an Illinois Limited Liability corporation, that the foregoing instrument is the corporate seal of said corporation, and said instrument was signed and sealed on behalf of said corporation by authority of it's members and they acknowledge that the execution of the foregoing instruments was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal



Jean Myers Notary Public

My commission expires: 10/17/05

STATE OF ILLINOIS)
) SS:
COUNTY OF MADISON)

On this 16th day of May, 2001, before me a Notary Public of the County and state aforesaid, personally appeared Lisa M. Fowler, to me personally known who being by me duly sworn, says that she is Senior Vice President of Clover Leaf Bank, a savings bank association, that the seal affixed to the foregoing instrument is the corporate seal of said association, that said instrument was signed and sealed on behalf of said association by authority of it's Board of Directors, and he acknowledged that the execution of the forgoing instrument was the free act and deed of said association.

AS WITNESS my hand and notarial seal

Melanie A. Nolen Notary Public

My commission expires: 4/8/03

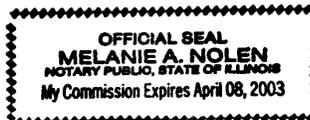


EXHIBIT A-1

SOU88084	SOU88168	SOU88238	SOU88249	SOU88326
SOU88328	SOU88390	SOU88455	SOU88461	SOU88473
SOU88492	NS255034 ^{PT}	NW178365	NW178472	NW178526
NW178549	NW178569 ^{NS}	NW178851	SOU888057	SOU888061
SOU888081	SOU888119 ^{NS}	SOU888128	SOU888199	SOU888210
SOU888286	SOU888372	SOU888445	SOU888708	SOU888734
SOU888751	SOU888857			