

RECORDATION NO. 16716-H FILED

MAY 11 '04 3-20PM

SURFACE TRANSPORTATION BOARD

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

May 11, 2004

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 Commercial Security Agreement, dated as of March 25, 2004, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Lease which was previously filed with the Board under Recordation Number 16716.

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

Secured Party: Associated Bank Minnesota
7760 France Avenue South
Bloomington, Minnesota 55325-5833

Debtor: Midwest Railcar Corporation
3 Professional Park Drive, Suite B
Maryville, Illinois 62062

Mr. Vernon A. Williams
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A description of the railroad equipment covered by the enclosed document is:

110 covered hopper cars: 57 within the series BN 465001 -BN 465064 and 52 with the series BN 465241 - BN 465300 as more particularly set forth in the equipment schedule attached to the document, and BNSF 438278.

A short summary of the document to appear in the index is:

Memorandum of Commercial Security Agreement.

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

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

Very truly yours,



Robert W. Alvord

RWA/anm
Enclosures

Memorandum of Commercial Security Agreement made and entered into as of March 25, 2004, by and between Associated Bank Minnesota, a Minnesota corporation ("Lender"), and Midwest Railcar Corporation, an Illinois corporation ("Borrower").

WITNESSETH:

To secure all obligations of the Borrower under a certain Commercial Security Agreement dated as of March 25, 2004 (the "Loan Agreement"), and that certain Promissory Note dated March 25, 2004, Borrower hereby assigns to Lender all of Borrower's rights, title and interest in, the railcars set forth and described on the Schedule of Railcars attached hereto (the railcars on the aforementioned Schedule of Railcars shall hereinafter be called the "Railcars"), as such Schedule of Railcars may be amended from time to time, and grants to Lender a first priority security interest in: (i) the Railcars; (ii) Borrower's interest in accessions, accessories, equipment, appurtenances and replacement and added parts appertaining or attached to any of the Railcars owned or hereinafter acquired, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any of the Railcars, together with all the rents, issues, income, profits, proceeds and avails therefrom and the proceeds thereof; (iii) all proceeds and all present and future evidences of rights to payment, (including, without limitation, insurance and indemnity payments) due or to become due to Borrower on account of the lease, sale, loss or other disposition of the Railcars; (iv) that certain Rider # 1 and #2 both made effective December 29, 1989 which incorporates therein by reference the Lease Agreement dated December 29, 1989 by and between Borrower (as Lessor) and Company Burlington Northern Railroad Company, a Delaware Corporation. (as Lessee), and any additional Equipment Riders and schedules thereto (together, the "Lease") and all bills of sales or other similar documents, agreements and instruments relating to the Railcars, and all other leases, chattel paper, agreements, accounts, bank or deposit accounts and instruments relating to the Railcars, whether now existing or hereafter arising (collectively, the "Documentary Security" or "Security Documentation"), together with all of Borrower's estate, right, title, interest, claims and demands in, to and under such documents, agreements and instruments including all extensions of any of the terms thereof, together with all rights, powers, privileges, options, and other benefits of Borrower including without limitation the right to receive notices, give consents, exercise any election or option, declare defaults and demand payments thereunder, and (v) all rent, damages and other moneys from time to time payable to or receivable by Borrower under the Documentary Security (the Railcars, Documentary Security, proceeds, rights, claims and causes of action described in items (i) through (v) above being herein sometimes collectively called the "Collateral"), to have and to hold all and every part of the Collateral unto Lender, and its successors and assigns, for its and their own use and benefit forever.

This Memorandum of Commercial Security Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but together only one Memorandum of Commercial Security Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers as of the date and year first above written.

ASSOCIATED BANK MINNESOTA, as Lender

By: Louis E Taylor

Title: Vice President

Date: 3-25-04

MIDWEST RAILCAR CORPORATION
as Borrower

By: [Signature]

Title: President & CEO

Date: 3-25-04

STATE OF Minnesota)
)
COUNTY OF Hennepin) ss.

On this 25 day of March, 2004, before me personally appeared Louis E. Taylor, to me personally known, who being by me duly sworn, says that he is the Vice President of Associated Bank Minnesota, that the foregoing instrument was signed on behalf of said national banking association, and he acknowledged that the execution of the said instrument was his free act and deed.

Joyce L. Spicer
NOTARY PUBLIC

My commission expires: 1/31/2005

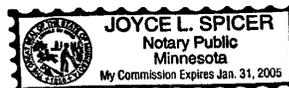


STATE OF Minnesota)
)
COUNTY OF Hennepin) ss.

On this 25th day of _____, 2004, before me personally appeared Richard M. Murphy, to me personally known, who being by me duly sworn, says that he is the President & CEO of Midwest Railcar Corporation, an Illinois corporation that the foregoing instrument was signed on behalf of Midwest Railcar Corporation, and he acknowledged that the execution of the said instrument was his free act and deed.

Joyce L. Spicer
NOTARY PUBLIC

My commission expires: 1/31/2005



SCHEDULE A

DESCRIPTION OF RAILCARS

One Hundred Ten (110) 100-ton covered hopper cars with trough hatches bearing the following car marks and numbers:

<u>Car Bulder</u>	<u>Built Date On or Around</u>	<u>Capacity</u>	<u>No. of Cars</u>	<u>Car Series</u>
Portec	December, 1980	4,750 cf	58	BN 465001
				BN 465002
				BN 465003
				BN 465004
				BN 465005
				BN 465006
				BN 465007
				BN 465008
				BN 465009
				BN 465010
				BN 465011
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				BN 465017
				BN 465018
				BN 465019
				BN 465020
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BN 465064

Evans June, 1980 4,750 cf 52

BN 465241
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BN 465251
BN 465253
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