

RECORDATION NO. 16716-I FILED

MAY 11 '04 3-27 PM

SURFACE TRANSPORTATION BOARD

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OF COUNSEL  
URBAN A. LESTER

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 (Collateral) Assignment of Leases and Rents, 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  
May 11, 2004  
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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 (Collateral) Assignment of Leases and Rents.

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 (COLLATERAL) ASSIGNMENT  
OF LEASES AND RENTS  
BETWEEN

ASSOCIATED BANK MINNESOTA  
("SECURED PARTY")

AND

MIDWEST RAILCAR CORPORATION  
("DEBTOR")

March 25, 2004

RECORDATION NO. 16716-I FILED

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SURFACE TRANSPORTATION BOARD

This Memorandum of Assignment of Lease and Rents is hereby entered into as of this 25th day March of 2004 by and between Associated Bank Minnesota, a Minnesota corporation ("Lender"), and Midwest Railcar Corporation, an Illinois corporation ("Borrower").

**W I T N E S S E T H:**

The Borrower hereby, assigns, transfers and sets over unto Associated Bank Minnesota (hereinafter, the "Lender"), all of the Borrower's right, 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"), which incorporates therein by reference the Lease Agreement dated December 29, 1989 by and between Borrower (as Lessor) and Burlington Northern Railroad Company, a Delaware Corporation, (as Lessee), and any other Equipment Riders and schedules thereto (together, the "Lease") and all rents and other sums due thereunder, and all proceeds therefrom with respect to those certain railcars identified on the attached Schedule "A" hereto (the "Railcars"), and all rents, renewal rents, proceeds of settlement for the Railcars which are lost, destroyed or damaged beyond repair and all other sums due and to become due under and pursuant to or by reason of the Lease, including but not limited to, the payment of any purchase option price paid by the Lessee pursuant to the Lease, as well as any and all subleases of the Railcars.

This Assignment is given and intended as continuing collateral for the payment of the indebtedness of the Borrower to the Lender as provided for in the Commercial Security Agreement dated March 25, 2004 (the "Agreement"), including but not limited to any and all promissory notes executed thereunder (the "Promissory Notes"), including any and all interest thereon and expenses therefor and any and all extensions and/or renewals of the referenced indebtedness, whether such indebtedness shall at any time or from time to time have been reduced or paid in full and thereafter increased or reincurred, and no renewal of, or extension of time of payment of the subject indebtedness or any part thereof, and no agreement not to sue or release or discharge of any persons liable therefor or thereon, or release or exchange of other collateral or any act or thing whatsoever shall diminish, discharge, impair or affect this Assignment or the security afforded hereby, save payment in *full* by the Borrower to the Lender of any and all indebtedness of the Borrower to the Lender arising under the Agreement and the Promissory Notes, while no default exists under any of the other provisions thereof. If such payment in full is made by the Borrower while no such default exists or if any such payment in full is made while any default exists and all such defaults are subsequently corrected by the Borrower, the Borrower shall be entitled to have this Assignment discharged. Capitalized terms not defined herein shall have the meanings ascribed to them in the Agreement.

This Memorandum of Assignment of Lease and Rents may be executed in any number of counterparts, each executed counterpart constituting an original but together only one memorandum of Assignment of Lease and Rents.

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

ASSOCIATED BANK MINNESOTA  
as Lender

By: Louis E Taylor

Name: LOUIS E. TAYLOR

Title: Vice President

MIDWEST RAILCAR CORPORATION  
as Borrower

By: Richard M. Murphy

Name: Richard M. Murphy

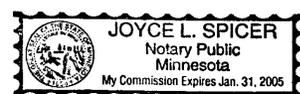
Title: President & CEO

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.

NOTARY PUBLIC: Joyce L. Spicer

My commission expires: 1/31/2005

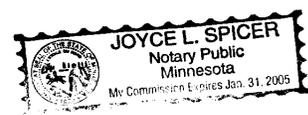


STATE OF Minnesota )  
COUNTY OF Hennepin ) ss.

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

NOTARY PUBLIC: Joyce L. Spicer

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
				BN 465012
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BN 465064

Evans                      June, 1980                      4,750 cf                      52

BN 465241  
BN 465242  
BN 465243  
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