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January 20, 2006

RECORDATION NO. 26140 FILED

Secretary
 Surface Transportation Board
 1925 K Street, N.W.
 Washington, D.C. 20423

JAN 20 '06 9-49 AM

SURFACE TRANSPORTATION BOARD

Dear Sir:

Enclosed for recording with the Surface Transportation Board is a Memorandum of Security Agreement dated 8/5/05 including the following parties and railroad equipment:

- Secured Party: Wells Fargo Equipment Finance, Inc.
733 Marquette Avenue, Suite 700
Minneapolis, MN 55402
- Debtor: Midwest Railcar Corporation
4949 Autumn Oaks Drive
Maryville, IL 62062
- Equipment: 10, 4000 cf 100-ton Flat-Bottom Rotary Gondolas
KCS 804025-804034

Please record this agreement as a primary document. The filing fee of \$33 is enclosed.

Summary: Memorandum of Security Agreement dated 8/5/05 between Wells Fargo Equipment Finance, Inc. as Secured Party and Midwest Railcar Corporation as Debtor including 10, 4000 cf 100-ton Flat-Bottom Rotary Gondolas, KCS 804025-804034.

Sincerely,

Mary Ann Oster
 Research Consultant

Enclosures

JAN-19-2006 THU 10:18 AM WELLS FARGO EQF

FAX NO. 6123161862

P. 01

RECORDATION NO. 26140 FILED



Wells Fargo Equipment Finance
Investors Building, Suite 700
733 Marquette Ave So
Minneapolis, MN 55402

Memorandum of Security Agreement

JAN 20 06 9:49 AM

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF SECURITY AGREEMENT (this "Memorandum") is made this 5th day of August, 2005, by and between Midwest Railcar Corporation, an Illinois corporation ("Debtor"), and Wells Fargo Equipment Finance, Inc., a Minnesota Corporation ("Secured Party").

A. The Debtor is or may become indebted to the Secured Party pursuant to certain agreements executed by the Debtor in favor of the Secured Party.

B. To secure the Debtor's obligations to the Secured Party, the Debtor executed and delivered to the Secured Party a Security Agreement dated August 5, 2005 pursuant to which the Debtor granted to the Secured Party a continuing, first priority security interest in and to, and lien on, the following collateral:

(a) Ten (10) 4000 cubic foot, 100-ton, Flat Bottom Rotary Gondolas originally built by Ortnor in 1982 and 1983 with the following markings (each, a "Railcar", collectively, the "Railcars") and all replacements and substitutions thereof;

- KCS 804025 KCS 804030
- KCS 804026 KCS 804031
- KCS 804027 KCS 804032
- KCS 804028 KCS 804033
- KCS 804029 KCS 804034

(b) all improvements, additions, modifications, accessions, attachments, appurtenances and parts appertaining or attached to the Railcars, whether now owned or hereafter acquired;

(c) all logs, books and records pertaining to the use, operation and/or maintenance of the Railcars or otherwise relating to any of the collateral described herein;

(d) all rights, claims and causes of action, if any, which the Debtor may have now or in the future against any manufacturer, rebuilder or seller of the Railcars (or any component thereof) or any other Person, by contract of otherwise, in respect of any defect in the Railcars or any part thereof;

(e) all rent, damages and other moneys from time to time payable to or receivable by the Debtor in respect of the Railcars; and

(f) all proceeds (cash and non-cash), including insurance proceeds, settlement proceeds and condemnation awards thereof.

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

Midwest Railcar Corporation

Wells Fargo Equipment Finance, Inc.

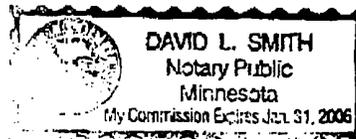
By: [Signature]
Title: President & CEO

By: [Signature]
Title: VP

JAN-19-2006 THU 10:18 AM WELLS FARGO EGF

FAX NO. 6123161862

P. 02



STATE OF MN
COUNTY OF Sherburne

On this 30 day of Sept, 2005, before me, a Notary Public of the City and State aforesaid, personally appeared Richard M. Murphy III, to me personally known, who being by me duly sworn, says that he is the President & CEO of Midwest Railcar Corporation, an _____ corporation, the foregoing 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.

David L. Smith
Notary Public

My commission expires: 1-31-06

STATE OF Minnesota
COUNTY OF Hennepin

On this 5th day of January, 2006, before me a Notary Public of the City and State aforesaid, personally appeared Jacqueline P. Barragan, to me personally known who being by me duly sworn, says that (he/she) is a AVP of Wells Fargo Equip Fin., that foregoing instrument is/was signed on behalf of said corporation by authority of its Board of Directors, and (he/she) acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.

(Seal)
PATTI H. DEYOUNG
Notary Public
Minnesota
My Commission Expires January 31, 2010

Patti H. DeYoung
Notary Public

My commission expires: 1/31/2010