

RECORDATION NO. 23393-C FILED

MAR 1 '01 11-42 AM
TS
SURFACE TRANSPORTATION BOARD

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OF COUNSEL
URBAN A. LESTER

March 1, 2001

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 Lease and Rents, dated February 28, 2001, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Loan and Security Agreement which is being filed with the Board under Recordation Number _____.

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

Lender: Deutsche Financial Services Corporation
1181 C Lake Cook Road
Deerfield, Illinois 60015

Borrower: Midwest Railcar Corporation
9876 213th Avenue, N.W.
Elk River, Minnesota 55330

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

Sixteen (16) boxcars within the series DME 005600 - DME 005624 not inclusive.

Mr. Vernon A. Williams
February 27, 2001
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A short summary of the document to appear in the index is:

Memorandum of (Collateral) Assignment of Lease and Rents, dated February 28, 2001, between Deutsche Financial Services Corporation, Lender, and Midwest Railcar Corporation, Borrower, covering sixteen (16) boxcars within the series DME 005600 - DME 005624 not inclusive.

Also enclosed is a check in the amount of \$27.00 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,

A handwritten signature in cursive script that reads "Robert W. Alvord".

Robert W. Alvord

RWA/bjg
Enclosures

MEMORANDUM OF (COLLATERAL) ASSIGNMENT
OF LEASES AND RENTS
BETWEEN

DEUTSCHE FINANCIAL SERVICES CORPORATION
("LENDER")

AND

MIDWEST RAILCAR CORPORATION
("BORROWER")

February 28, 2001

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SURFACE TRANSPORTATION BOARD

This Memorandum of Assignment of Lease and Rents is hereby entered into as of this 28th day of February, 2001 by and between Deutsche Financial Services Corporation, a Nevada Corporation ("Lender"), and Midwest Railcar Corporation, an Illinois corporation ("Borrower").

WITNESSETH:

The Borrower hereby sells, assigns, transfers and sets over unto Deutsche Financial Services Corporation (hereinafter, the "Lender"), all of the Borrower's right, title and interest in and to the lease of 100-ton RBL insulated boxcars as evidenced by that certain that certain Full Service Lease Agreement dated effective November 14, 2000, and that Full Service Lease # 2000-DME Rider 1 thereto and as described in that Full Service Lease # 2000-DME Exhibit A to said Rider 1 (together, the "Lease") and all rents and other sums due thereunder, and all proceeds therefrom with respect to those certain boxcars identified on the attached Schedule "A" hereto (the "Boxcars"), and all rents, renewal rents, proceeds of settlement for the Boxcars 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, as well as any and all subleases of the Boxcars..

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 Loan and Security Agreement of even date herewith (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.

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SURFACE TRANSPORTATION BOARD

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.

DEUTSCHE FINANCIAL SERVICES CORPORATION
as Lender

By:  _____

Name: Patrick J. Mazzanti

Title: Assistant Vice President

MIDWEST RAILCAR CORPORATION
as Borrower

By:  _____

Name: Richard M. Murphy

Title: President & CEO

SCHEDULE "A"
To Memorandum of Assignment of Lease and Rents
SCHEDULE OF BOXCARS
Full Service Lease # 2000-DME Rider 1
One Page

Car Numbers

DME 005600
DME 005602
DME 005603
DME 005604
DME 005605
DME 005606
DME 005609
DME 005612
DME 005613
DME 005615
DME 005618
DME 005619
DME 005620
DME 005621
DME 005623
DME 005624