

RECORDATION NO. 23803-A FILED

ALVORD AND ALVORD
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DEC 31 '01

3-45 PM

SURFACE TRANSPORTATION BOARD

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

OF COUNSEL
URBAN A. LESTER

December 31, 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 three (3) copies of a Memorandum of (Collateral) Assignment of Lease and Rents, dated as of December 31, 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 are 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

Mr. Vernon A. Williams
December 31, 2001
Page 2

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

Twenty-four (24) woodchip gondola railcars within the series MWCX 100114 - MWCX 100142 not inclusive, formerly numbered SP 354423 - SP 355099 not inclusive , more particularly described in Schedule I to the Memorandum.

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

Memorandum of (Collateral) Assignment of Lease and Rents.

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.

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

Very truly yours,



Edward M. Luria

RWA/anm
Enclosures

RECORDATION NO. 23803-A FILED

DEC 31 '01

3-45 PM

MEMORANDUM OF (COLLATERAL) ASSIGNMENT
OF LEASE AND RENTS
BETWEEN

SURFACE TRANSPORTATION BOARD

DEUTSCHE FINANCIAL SERVICES CORPORATION
("LENDER")

AND

MIDWEST RAILCAR CORPORATION
("BORROWER")

DECEMBER 31, 2001

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

WITNESSETH:

For good and valuable consideration, 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 but none of its obligations (except for the obligation to honor the lessee's right of quiet enjoyment) in and to that certain Rail Car Lease entered into as of September 5, 2001, the original copy(ies) of which are attached hereto and made a part hereof, between the Assignor as lessor and Commercial Metals Company, as lessee (hereinafter, the "Lessee"), all schedules and exhibits thereto, the original copies of which are also attached hereto, and to all rents, proceeds of settlement for the 7452 C.F. 100 ton Woodchip Gondola Railcars subject thereto and described in Schedule "A" hereto (hereinafter, the "Railcars") and subject to the lease, including those which are lost, destroyed or damaged beyond repair, all subleases thereof and all other sums due and to become due under and pursuant to or by reason of the above described Rail Car Lease and the Memorandum of Lease by and between Assignor and Lessee (the "Memorandum of Lease"). This Assignment covers and includes all amendments and supplements to and renewals of the above-described Rail Car Lease. The above-described Rail Car Lease and all exhibits and schedules thereto, the Memorandum of Lease, and all amendments and supplements to the foregoing and renewals thereof and all subleases, if any, shall hereinafter be called the "Lease".

This Assignment is given and intended as continuing collateral security for the payment of any and all indebtedness of the Assignor to the Lender as follows: all obligations of the Assignor to the Lender now existing or hereafter arising, including but not limited to those obligations described and set forth in that certain Loan and Security Agreement of even date herewith, executed and delivered or to be executed and delivered by Assignor to the Lender (the "Loan and Security Agreement"), and those Loan and Security Agreements by and between Assignor and Lender dated December 11, 2001, August 14, 2001 and February 28, 2001, as amended (together, the "Prior Loan Agreements") including, respectively, but not limited to such obligations as evidenced by that certain promissory note of even date herewith, any future promissory note(s) made in connection with the Loan and Security Agreement (such promissory note of even date herewith and future promissory note(s) being hereinafter referred to collectively as the "December, 2001 Promissory Note(s)"), and those certain promissory notes dated February 8, 2001, April 4, 2001, August 14, 2001, and December 11, 2001, (the "Prior Promissory Notes"), and including any and all interest on said obligations, and any expenses therefor and any and all extensions and/or renewals of such obligations, all of which December, 2001 Promissory Note(s) and Prior Promissory Notes shall hereafter be called the "Obligations". No renewal of, or extension of time of payment of the Obligations or evidence of indebtedness or any part thereof, and no agreement not to sue

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. Notwithstanding the foregoing, however, and notwithstanding that the Prior Promissory Notes may not then be paid in full, but only as long as the Prior Promissory Notes are not then in default, upon payment in full by the Assignor to the Lender of the December, 2001 Promissory Note(s), this Assignment shall be discharged and of no further effect, and Lender shall have no remaining rights thereunder.

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

Capitalized terms not defined herein shall have the meanings ascribed to them in the Loan and Security 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 their 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: _____

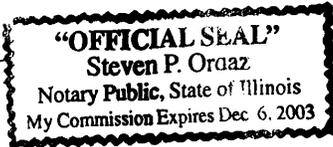
Name: Richard M. Murphy

Title: President & CEO

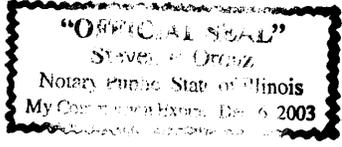
STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

On this 27th day of December, 2001, before me personally appeared Patrick J. Pizzanti to me personally known, who being by me duly sworn, says that he is the AVP of DEUTSCHE FINANCIAL SERVICES CORPORATION, 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: Steven P. Orta



My commission expires: 12/6/03



STATE OF _____)
) ss.
COUNTY OF _____)

On this _____ day of December, 2001, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ 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: _____

My commission expires: _____

Capitalized terms not defined herein shall have the meanings ascribed to them in the Loan and Security 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 their 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

STATE OF _____)
) ss.
COUNTY OF _____)

On this ___ day of December, 2001, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of DEUTSCHE FINANCIAL SERVICES CORPORATION, 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: _____

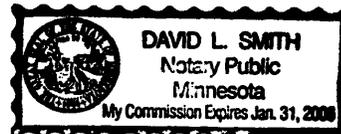
My commission expires: _____

STATE OF Minnesota)
) ss.
COUNTY OF Sherburne)

On this 27th day of December, 2001, before me personally appeared Richard 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: David L. Smith

My commission expires: 1-31-06



SCHEDULE "A"
To Memorandum of Assignment of Lease and Rents
SCHEDULE OF Railcars
One Page

7452 cf Woodchip Gondolas

<u>Car Number</u>	<u>Prior Car Number</u>
1 MWCX100114	SP 354480
2 MWCX100115	SP 354489
3 MWCX100116	SP 354590
4 MWCX100117	SP 354644
5 MWCX100118	SP 354809
6 MWCX100119	SP 354869
7 MWCX100120	SP 354910
8 MWCX100121	SP 354915
9 MWCX100122	SP 354968
10 MWCX100123	SP 354973
11 MWCX100125	SP 355046
12 MWCX100126	SP 354423
13 MWCX100127	SP 354499
14 MWCX100128	SP 354514
15 MWCX100129	SP 354615
16 MWCX100130	SP 354674
17 MWCX100131	SP 354685
18 MWCX100132	SP 354816
19 MWCX100133	SP 354877
20 MWCX100136	SP 355017
21 MWCX100138	SP 355054
22 MWCX100139	SP 355099
23 MWCX100140	SP 354866
24 MWCX100142	SP 354926