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May 15, 2002

VIA FEDERAL EXPRESS

Surface Transportation Board
1925 K Street, NW
Washington, D.C. 20423-0001
Attn: Ms. Ellen Keyes

RECORDATION NO. 23976-A FILED
MAY 16 '02 4-41 PM
SURFACE TRANSPORTATION BOARD



Re: Memorandum of Commercial Security Agreement Between
Midwest Railcar Corporation and First Mid-Illinois Bank
And Trust, N.A.
Five (5) 60' 100-ton Plat "C" Boxcars

Dear Ms. Keyes:

Enclosed for recordation as a primary document pursuant to the provisions of 49 U.S.C. Section 11301(a) are one (2) original Memorandum of Commercial Security Agreement, dated May 15, 2002, as defined in the Board's Rules for the Recordation of Documents for filing.

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

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

Bank: First Mid-Illinois Bank
12616 State Route 143
Highland, IL 62249

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

Five (5) 60' 100-ton Plate "C" Boxcars bearing car marks and numbers as listed on Exhibit A to said Memorandum of Lease.

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

Surface Transportation Board
May 15, 2002
Page 2

MILES & STOCKBRIDGE P.C.

Memorandum of Memorandum of Commercial Security Agreement between Midwest Railcar Corporation as Borrower and First Mid-Illinois Bank, as Bank, covering Five (5) 60' 100-ton Plate "C" Boxcars car marks and numbers as listed on Exhibit A to said Memorandum of Commercial Security Agreement Lease.

.Also enclosed is a check in the amount of \$28.00 payable to the order of the Surface Transportation Board to cover the required recordation fee.

Please kindly return stamped copies of the enclosed document to the undersigned at the above-listed address.

Also, please call (410) 385-3423 to confirm your receipt of the enclosed items.

Very truly yours,



Doti J. Hampton
Legal Assistant

Enclosures

RECORDATION NO. 23976-A FILED

MAY 16 '02

4-41 PM

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT

- dated May 15, 2002

by and between

MIDWEST RAILCAR CORPORATION,
as Debtor

and

FIRST MID-ILLINOIS BANK AND TRUST, NA
as Secured Party

MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT

THIS MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT (this "Memorandum") is made this 15th day of May, 2002, by and between MIDWEST RAILCAR CORPORATION, an Illinois corporation ("Borrower"), and FIRST MID-ILLINOIS BANK AND TRUST, NA, a state-chartered Federal Reserve Member bank organized under the laws of the State of Illinois ("Bank").

A. The Borrower and the Bank are parties to that certain Loan Agreement ("Agreement") dated April 12th, 2002 pursuant to which the Bank agreed to make to the Borrower the loan described in the Agreement.

B. To secure the Borrower's Obligations (as defined in the Agreement) to the Bank, the Borrower executed and delivered to the Bank a Commercial Security Agreement dated May 15th, 2002 pursuant to which the Borrower granted to the Bank a continuing, first priority security interest in and to, and lien on, the following collateral:

(a) Five (5) boxcars described on Exhibit A attached hereto (each, a "Railcar", collectively, the "Railcars") and all replacements and substitutions thereof;

(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 Borrower 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 or otherwise, in respect of any defect in the Railcars or any part thereof;

(e) any agreement now or hereafter entered into for leasing the Railcars to any third party, including, without limitation, Rider 1 dated April 4, 2002 between the Borrower and General Mills Operations, Inc., and the right to receive all payments and other sums due and to become due from time to time thereunder, to receive all notices and give consents, to exercise any election or option, to declare defaults and to demand payment of any sum due in connection therewith;

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

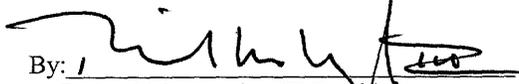
(g) all proceeds (cash and non-cash), including insurance proceeds, settlement proceeds and condemnation awards thereof.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

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

WITNESS:

MIDWEST RAILCAR CORPORATION

By: 
Richard M. Murphy, III, President

WITNESS:

FIRST MID-ILLINOIS BANK AND TRUST, NA



By: 

STATE OF MINNESOTA, County OF Sherburne

On this 14 day of May, 2002, 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 of Midwest Railcar Corporation, an Illinois corporation, that the seal affixed to the foregoing instrument is the seal of said association, that said instrument was signed and sealed 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.

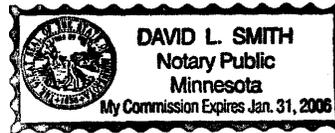
AS WITNESS my hand and notarial seal

(Seal)


Notary Public

My commission expires:

1-31-06



STATE OF ILLINOIS, County OF Madison

On this 15th day of May, 2002, before me, a Notary Public of the City and State aforesaid, personally appeared Gordon Smith, to me personally known, who being by me duly sworn, says that he is a Community President of FIRST MID-ILLINOIS BANK AND TRUST, NA, that the seal affixed to the foregoing instrument is the seal of First Mid-Illinois Bank and Trust, NA, that said instrument was signed and sealed on behalf of First Mid-Illinois Bank and Trust, NA by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of First Mid-Illinois Bank and Trust, NA.

AS WITNESS my hand and notarial seal



Tricia Buehne
Notary Public

My commission expires:

EXHIBIT A

DESCRIPTION OF RAILCARS

Five (5) 60ft., 100-ton Plate "C" Boxcars, bearing the following car marks and numbers:

OLD MARKS & NUMBERS

1. WP 66309
2. UP 465258
3. WP 66341
4. UP 465396
5. DRGW 50827

NEW MARKS & NUMBERS

- MWCX 500060
- MWCX 500061
- MWCX 500062
- MWCX 500063
- MWCX 500064