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August 14, 2002

VIA FEDERAL EXPRESS

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

RECORDATION NO. 34078 - A FILED

AUG 19 '02 3-17 PM

SURFACE TRANSPORTATION BOARD



Re: Memorandum of Lease between, Memorandum of (Collateral) Assignment of Lease and Rents and Memorandum of Commercial Security Agreement between Midwest Railcar Corporation and General Mills Operations, Inc. re: (10) Ten 50' 70-ton Boxcars

Dear Ms. Keyes:

Enclosed for recordation as a secondary document to the Memorandum of Lease dated April 3, 2002 filed under separate cover on this date, pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) originals of a Memorandum of Commercial Security Agreement between Associated Bank Minnesota and Midwest Railcar Corporation, dated July 19, 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:

Secured Party: Associated Bank Minnesota
7760 France Avenue South
Bloomington, MN 55435-5833

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

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

Ten (10) 50' 70-ton Boxcars equipped with load dividers and single plug doors bearing car marks and numbers as listed on Exhibit A to said Memorandum of Commercial Security Agreement.

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 Commercial Security Agreement between Associated Bank Minnesota as Secured party and Midwest Railcar Corporation as Debtor, covering Ten (10) 50' 70-ton Boxcars equipped with load dividers and single plug doors bearing car marks and numbers as listed on Exhibit A to said Memorandum of Commercial Security Agreement.

Also enclosed is a check in the amount of \$30.00 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. 24078-A FILED

AUG 19 '02 3-17 PM

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT

BETWEEN

**ASSOCIATED BANK MINNESOTA
("SECURED PARTY")**

AND

**MIDWEST RAILCAR CORPORATION
("DEBTOR")**

July 19th 2002

Memorandum of Commercial Security Agreement made and entered into as of July 19 2002, by and between Associated Bank Minnesota, a Minnesota corporation ("Lender"), and Midwest Railcar Corporation, an Illinois corporation ("Borrower").

WITNESSETH:

To secure all obligations of the Borrower under a certain Commercial Security Agreement dated as of July 19, 2002 (the "Loan Agreement"), and that certain Promissory Note dated July 19 2002, Borrower hereby assigns to Lender all of Borrower's rights, 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"), as such Schedule of Railcars may be amended from time to time, and grants to Lender a first priority security interest in: (i) the Railcars; (ii) Borrower's interest in accessions, accessories, equipment, appurtenances and replacement and added parts appertaining or attached to any of the Railcars owned or hereinafter acquired, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any of the Railcars, together with all the rents, issues, income, profits, proceeds and avails therefrom and the proceeds thereof; (iii) all proceeds and all present and future evidences of rights to payment, (including, without limitation, insurance and indemnity payments) due or to become due to Borrower on account of the lease, sale, loss or other disposition of the Railcars; (iv) that certain Rider dated April 3, 2002 which incorporates by reference that Full Service Lease Agreement dated effective February 15, 2002 by and between Borrower (as Lessor) and General Mills Operations Inc. (as Lessee), and any additional Equipment Riders and schedules thereto (together, the "Lease") and all bills of sales or other similar documents, agreements and instruments relating to the Railcars, and all other leases, chattel paper, agreements, accounts, bank or deposit accounts and instruments relating to the Railcars, whether now existing or hereafter arising (collectively, the "Documentary Security" or "Security Documentation"), together with all of Borrower's estate, right, title, interest, claims and demands in, to and under such documents, agreements and instruments including all extensions of any of the terms thereof, together with all rights, powers, privileges, options, and other benefits of Borrower including without limitation the right to receive notices, give consents, exercise any election or option, declare defaults and demand payments thereunder, and (v) all rent, damages and other moneys from time to time payable to or receivable by Borrower under the Documentary Security (the Railcars, Documentary Security, proceeds, rights, claims and causes of action described in items (i) through (v) above being herein sometimes collectively called the "Collateral"), to have and to hold all and every part of the Collateral unto Lender, and its successors and assigns, for its and their own use and benefit forever.

This Memorandum of Commercial Security Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but together only one Memorandum of Commercial Security Agreement.

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.

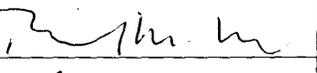
ASSOCIATED BANK MINNESOTA, as Lender

By: 

Title: Vice President

Date: 7/19/02

MIDWEST RAILCAR CORPORATION
as Borrower

By: 

Title: President

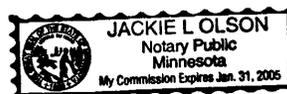
Date: 7/19/02

STATE OF Minnesota)
) ss.
COUNTY OF Anoka)

On this 19th day of July, 2002, before me personally appeared Brian Munderloh, 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.

Jackie Olson
NOTARY PUBLIC

My commission expires: Jan 31, 2005



STATE OF Minnesota)
) ss.
COUNTY OF Anoka)

On this 19th day of July, 2002, before me personally appeared Richard Murphy, to me personally known, who being by me duly sworn, says that he is the owner of Midwest Railcar Corporation, an Illinois corporation that the foregoing instrument was signed on behalf of Midwest Railcar Corporation, and he acknowledged that the execution of the said instrument was his free act and deed.

Jackie Olson
NOTARY PUBLIC

My commission expires: Jan 31, 2005



SCHEDULE OF RAILCARS

Ten (10), 50' 70 ton Boxcars equipped with load dividers and single plug doors. Car Numbers MWCX 550035-550044, inclusive.