

**OSTER
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March 25, 2003

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

RECORDATION NO. 24371 FILED

MAR 25 '03 10-12 AM

SURFACE TRANSPORTATION BOARD

Dear Sir:

Enclosed for recording with the Surface Transportation Board is a Memorandum of Security Agreement dated 2/19/03 involving the following parties and railroad equipment:

Secured Party: Wells Fargo Equipment Finance, Inc.
Investors Building, #700
733 Marquette Avenue
Minneapolis, MN 55402

Debtor: Midwest Railcar Corporation
9876 213th Avenue, N.W.
Elk River, MN 55330

Equipment: 20, 6007 cf Woodchip Gondolas
MWCX 100182-100201

Please record this agreement as a primary document. The filing fee of \$30 is enclosed.

Summary: Memorandum of Security Agreement 2/19/03 between Wells Fargo Equipment Finance, Inc. as Secured Party and Midwest Railcar Corporation as Debtor including 20 Gondolas marked MWCX 100182-100201.

Sincerely,



Mary Ann Oster
Research Consultant

Enclosures

**MEMORANDUM OF
SECURITY AGREEMENT**

RECORDATION NO. 24371 FILED

MAR 25 '03 10-12 AM

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF SECURITY AGREEMENT (this "Memorandum") is made this 19th day of February, 2003, 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 indebted to the Secured Party pursuant to that certain Promissory Note dated as of February 19, 2003 (the "Note") 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 February 19, 2003 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) Twenty (20) 6007 c.f. 100-ton Woodchip Gondolas with A/B end doors; AAR Car Type Code E500 more fully described on Schedule 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 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) any agreement now or hereafter entered into for leasing the Railcars to any third party, including, without limitation, the Rider #1 to Full Service Lease Agreement dated January 31, 2003 between the Debtor and Blaine Larsen Farms, 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 Debtor in respect of the Railcars; and

(g) 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

By: *[Signature]*
Its: ** President & CEO*

WELLS FARGO EQUIPMENT FINANCE, INC.

By: *[Signature]*
Its: *Contract Admin.*

**SCHEDULE A TO
MEMORANDUM OF
SECURITY AGREEMENT
DATED AS OF FEBRUARY 19, 2002**

Twenty (20) 6007 c.f. 100-ton Woodchip Gondolas with A/B end doors; AAR Car Type Code E500 with the following Markings:

MWCX100182	MWCX100192
MWCX100183	MWCX100193
MWCX100184	MWCX100194
MWCX100185	MWCX100195
MWCX100186	MWCX100196
MWCX100187	MWCX100197
MWCX100188	MWCX100198
MWCX100189	MWCX100199
MWCX100190	MWCX100200
MWCX100191	MWCX100201

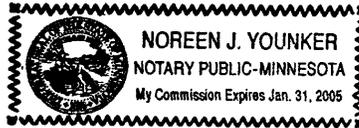
STATE OF MINNESOTA
COUNTY OF HENNEPIN

On this 25 day of February, 2003, before me personally appeared,
Conne Longtine to me personally known, who being by me
duly sworn, says that s/he is the Contract Admin of Wells Fargo Equipment Finance,
Inc., a Minnesota corporation, that said instrument was signed on behalf of said
corporation, and s/he acknowledged that the execution of the foregoing instrument was
the free act and deed of said corporation.

[Seal]

Noreen J. Younker
Notary Public

My commission expires: 1-31-2005



STATE OF Minnesota
COUNTY OF Sherburne

On this 24 day of February, 2003 before me personally appeared,
Richard M. Murphy to me personally known, who being by me duly
sworn, says that s/he is the President & CEO of Midwest Railcar Corporation a(n)
Illinois corporation, that said instrument was signed on behalf of said
corporation, and s/he acknowledged that the execution of the foregoing instrument was
the free act and deed of said corporation.

[Seal]

David L. Smith
Notary Public

My commission expires: 1-31-06

