



April 18, 2003

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, NW
Washington, D.C. 20423-0001

RECORDATION NO. 24420 FILED

APR 23 '03 4-01 PM

SURFACE TRANSPORTATION BOARD

RE: Memorandum of Commercial Security Agreement between First Mid-Illinois Bank and Midwest Railcar Corporation

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301 (a) is a copy of a Memorandum of Commercial Security Agreement dated as of March 26, 2003, a primary document as defined in the Board's Rules for the Recordation of Documents. The names and addresses of the parties to the enclosed document is as follows:

Secured Party: First Mid-Illinois Bank and Trust, NA
12616 State Route 143
Highland, IL 62249

Debtor: Midwest Railcar Corporation
9876 213th Ave. NW
Elk River, MN 55330

A description of the railroad equipment covered by the enclosed document is as follows:
Ten (10), 1976 to 1984, Thrall built, coal gondolas bearing the reporting marks:

SATX 1166	SATX 5079
SATX 1189	SATX 7006
SATX 2034	SATX 7046
SATX 3079	SATX 7058
SATX 5027	SATX 7077

12616 State Route 143, Highland, IL 62249
(618) 654-1111 FAX (618) 654-2110

Mr. Vernon A. Williams
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Also enclosed is a check in the amount of \$30.00 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.

Sincerely,

FIRST MID-ILLINOIS BANK & TRUST

A handwritten signature in cursive script that reads "Karyn F. Ward".

Karyn F. Ward
Credit Analyst

Encl.



March 31, 2003



Surface Transportation Board
1925 K Street, NW
Washington, D.C. 20423-0001

RE: Memorandum of Commercial Security Agreement between First Mid-Illinois Bank
and Midwest Railcar Corporation

To Whom It May Concern:

Enclosed please find for recordation a Memorandum of Commercial Security Agreement between First Mid-Illinois Bank and Trust and Midwest Railcar Corporation. Please record the document and return to my attention. A self-addressed, stamped envelope has been provided for your use.

Thank you for your assistance in this matter. If you have any questions, please contact me at (618) 288-5500 or (618) 654-1111.

Sincerely,

FIRST MID-ILLINOIS BANK & TRUST

Karyn F. Ward
Credit Analyst

Encl.

2930 North Center Street, Maryville, IL 62062
(618) 288-5500 FAX (618) 288-5400



RECORDATION NO. 24420 FILED

APR 23 '03

4-01 PM

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT

dated March 26, 2003

by and between

**MIDWEST RAILCAR CORPORATION,
as Debtor**

and

**FIRST MID-ILLINOIS BANK & TRUST
as Secured Party**

MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT

THIS MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT (this "memorandum") is made this 26th day of March, 2003, 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").

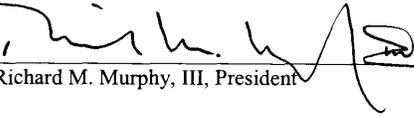
- A. The Borrower and the Bank are parties to that certain Loan Agreement dated as of January 9, 2003 (collectively, the "Loan Agreement"), pursuant to which the Bank agreed to extend to the Borrower a line of credit described in the Loan Agreement.
- B. To secure the Borrower's Obligations (as defined in the Loan Agreement) to the Bank, the Borrower executed and delivered to the Bank a Commercial Security Agreement dated as of January 2, 2003, pursuant to which the Borrower granted to the Bank a continuing, first priority security interest in and to, and lien on, certain railcars, including the following:
- (a) Ten (10) 1976-1984, Thrall Built, coal gondolas 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, 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.

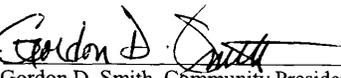
WITNESS:

MIDWEST RAILCAR CORPORATION

By: 
Richard M. Murphy, III, President

WITNESS:

FIRST MID-ILLINOIS BANK AND TRUST, NA

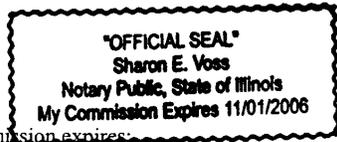
By: 
Gordon D. Smith, Community President

STATE OF ILLINOIS, COUNTY of MADISON

On this 26th day of March, 2003, before me, a Notary Public of the County 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 the 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)



My commission expires: _____

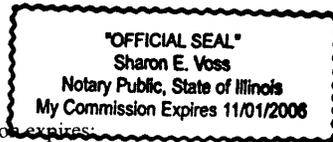

Notary Public

STATE OF ILLINOIS, COUNTY of MADISON

On this 26th day of March, 2003, before me, a Notary Public of the County and State aforesaid, personally appeared Gordon D. Smith, to me personally known, who being by me duly sworn, says that he is a 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

(Seal)



My commission expires:

Sharon E. Voss
Notary Public

EXHIBIT "A"

DESCRIPTION OF RAILCARS

Ten (10), 1976 to 1984, Thrall built, coal gondolas bearing the reporting marks:

SATX 1166	(built 1/77)
SATX 1189	(built 11/84)
SATX 2034	(built 2/76)
SATX 3079	(built 2/76)
SATX 5027	(built 9/76)
SATX 5079	(built 9/76)
SATX 7006	(built 9/76)
SATX 7046	(built 9/76)
SATX 7058	(built 9/76)
SATX 7077	(built 10/76)