

RECORDATION NO. 24592-B FILED

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SEP 17 '03 2-02 PM

SURFACE TRANSPORTATION BOARD

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September 17, 2003

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 two (2) copies of a Memorandum of Commercial Security Agreement, dated as of September 12, 2003, a primary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Master Lease Agreement which is being filed with the Board under Recordation Number 24592 B.

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

Secured Party: First National Bank in Staunton  
304 Bargraves Boulevard  
Troy, Illinois 62294

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

Mr. Vernon A. Williams  
September 17, 2003  
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A description of the railroad equipment covered by the enclosed document is:

(1) Twenty (20) 100-ton flat bottom gondola cars with MRMX reporting marks with road numbers within the series 1032 - 7109 as more particularly set forth in the equipment schedule attached to the document,

and

(2) Thirty (30) 100-ton flat bottom gondola cars: MWCX 100289 – MWCX 100318.

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

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 covering the required recordation fee.

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

Very truly yours,



Robert W. Alvord

RWA/anm  
Enclosures

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SURFACE TRANSPORTATION BOARD

**MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT**

**BETWEEN**

**FIRST NATIONAL BANK IN STAUNTON  
("SECURED PARTY")**

**AND**

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

**September 12, 2003**

Memorandum of Commercial Security Agreement made and entered into as of September 12, 2003, by and between First National Bank in Staunton, an Illinois corporation ("Secured Party"), and Midwest Railcar Corporation, an Illinois corporation ("Debtor").

**W I T N E S S E T H:**

To secure all obligations of the Debtor under a certain Commercial Security Agreement dated as of September 12, 2003 (the "Security Agreement"), and that certain Promissory Note dated September 12, 2003, Debtor hereby assigns to Secured Party all of Debtor'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) Debtor'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 Debtor on account of the lease, sale, loss or other disposition of the Railcars; (iv) that certain Schedule #1 and Schedule #2, dated effective July 31, 2003, which incorporates by reference that Full Service Master Equipment Lease Agreement dated effective July 31, 2003, by and between Debtor (as Lessor) and MHF-LS Equipment, Inc. (as Lessee), and any other Exhibits or 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 Debtor'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 Grantor 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 Debtor 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 Secured Party, 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.

FIRST NATIONAL BANK IN STAUNTON  
as Secured Party

By: David L. Lora

Title: Vice President

Date: 9/12/03

MIDWEST RAILCAR CORPORATION,  
as Debtor

By: [Signature]

Title: President & CEO

Date: 9/12/03

STATE OF Illinois )  
 ) ss.  
COUNTY OF Macoupin )

On this 12<sup>th</sup> day of September 2003, before me personally appeared David Gansner, to me personally known, who being by me duly sworn, says that he is the Vice President of First National Bank in Stanton, 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.



Shannon Parish  
NOTARY PUBLIC

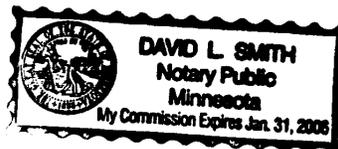
My commission expires: 4-13-07

STATE OF Minnesota )  
 ) ss.  
COUNTY OF Sherburne )

On this 12 day of September 2003, before me personally appeared Richard M. Murphy III, to me personally known, who being by me duly sworn, says that he is the President + CEO 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.

David L. Smith  
NOTARY PUBLIC

My commission expires: 1-31-06



### SCHEDULE OF RAILCARS

Twenty (20) Thrall Built Gondola Railcars Built between 1976 and 1981, 4000 c.f., 100-ton, 263,000 pound GRL Rotary Dump, Flat Bottom Design bearing the following reporting marks and numbers:

MRMX 001032	MRMX 3037
MRMX 001041	MRMX 3054
MRMX 001048	MRMX 4039
MRMX 001062	MRMX 4068
MRMX 001087	MRMX 6050
MRMX 001150	MRMX 6100
MRMX 001247	MRMX 7011
MRMX 002010	MRMX 7052
MRMX 002070	MRMX 7079
MRMX 003032	MRMX 7109

AND

Thirty (30) Ortner Freight Car Co. Built High Side Gondola Railcars 4000 c.f., 100-ton, 263,000 pound GRL Rotary Dump, Flat Bottom Design bearing the following reporting marks and numbers:

MWCX 100289 through MWCX 100318, inclusive