RECORDATION NO. 24768-B FILED

JAN 12 '04 4-23 PM

SURFACE TRANSPORTATION BOARD

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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

January 12, 2004

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 (Collateral) Assignment of Lease, dated as of December 12, 2003, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Schedule #2 to Full Service Master Lease Agreement which is being filed with the Board under Recordation Number _____.

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

Bank: The Bank of Edwardsville
330 West Vandalia
Edwardsville, Illinois 62025

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

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

6 covered hopper railcars: MWCX 480028 - MWCX 480033.

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

Memorandum of (Collateral) Assignment of Lease.

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

MEMORANDUM OF (COLLATERAL) ASSIGNMENT
OF LEASE

BETWEEN

THE BANK OF EDWARDSVILLE
("BANK")

AND

MIDWEST RAILCAR CORPORATION
("ASSIGNOR")

December 12, 2003

RECORDATION NO. 24768-B FILED

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SURFACE TRANSPORTATION BOARD

This Memorandum of Assignment of Lease is hereby entered into as of this 12th day December 2003 by and between The Bank of Edwardsville, an Illinois corporation ("Bank"), and Midwest Railcar Corporation, an Illinois corporation ("Assignor").

W I T N E S S E T H:

The Assignor hereby assigns, transfers and sets over unto Bank, all of the Assignor's right, title and interest in (but not its obligations) and to the lease of (6) 5,250 Cu ft. 100-Ton covered hopper railcars built between 1979 and 1981 as evidenced by that certain Schedule #2, dated November 20, 2003 which incorporates by reference that Full Service Master Lease Agreement dated effective April 22, 2003 by and between Assignor (as Lessor) and Modern Dispersions South, Inc. (as Lessee), and any other Equipment Riders and schedules thereto (together, the "Lease") and all rents and other sums due thereunder, and all proceeds therefrom with respect to those certain railcars identified on the attached Schedule "A" hereto (the "Railcars"), and all rents, renewal rents, proceeds of settlement for the Railcars which are lost, destroyed or damaged beyond repair and all other sums due and to become due under and pursuant to or by reason of the Lease, including but not limited to, the payment of any purchase option price paid by the Lessee pursuant to the Lease, as well as any and all subleases of the Railcars.

This Assignment is given and intended as continuing collateral for the payment of the indebtedness of the Assignor (as "Grantor") to Bank (as "Lender") as provided for in the Commercial Security Agreement dated December 12, 2003 (the "Agreement"), including but not limited to any and all promissory notes executed thereunder (the "Promissory Notes"), including any and all interest thereon and expenses therefor and any and all extensions and/or renewals of the referenced indebtedness, whether such indebtedness shall at any time or from time to time have been reduced or paid in full and thereafter increased or re-incurred, and no renewal of, or extension of time of payment of the subject indebtedness or any part thereof, and no agreement not to sue or release or discharge of any persons liable therefor or thereon, or release or exchange of other collateral or any act or thing whatsoever shall diminish, discharge, impair or affect this Assignment or the security afforded hereby, save payment in full by the Assignor to Bank of any and all indebtedness of the Assignor to Bank arising under the Agreement and the Promissory Note, while no default exists under any of the other provisions thereof. If such payment in full is made by the Assignor while no such default exists or if any such payment in full is made while any default exists and all such defaults are subsequently corrected by the Assignor, the Assignor shall be entitled to have this Assignment discharged.

Capitalized terms not defined herein shall have the meanings ascribed to them in the Agreement. This Memorandum of Assignment of Lease may be executed in any number of counterparts, each executed counterpart constituting an original but together only one memorandum of Assignment of Lease.

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.

THE BANK OF EDWARDSVILLE
as Bank

By: _____

Name: William D. Barlow

Title: Vice President

MIDWEST RAILCAR CORPORATION
as Assignor

By: _____

Name: Richard M. Murphy

Title: President

STATE OF Illinois)
) ss.
COUNTY OF Madison)

On this 18 day of December 2003, before me personally appeared William D. Barlow, to me personally known, who being by me duly sworn, says that he is the Vice President of THE BANK OF EDWARDSVILLE, 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.

NOTARY PUBLIC: Sandra A. Sachs

"OFFICIAL SEAL"
SANDRA A. SACHS
NOTARY PUBLIC, STATE OF ILLINOIS
MADISON COUNTY, IL
MY COMMISSION EXPIRES SEPT. 13, 2005

My commission expires: Sept 13, 2005

STATE OF MN)
) ss.
COUNTY OF Sherburne)

On this 17 day of December 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, that the foregoing instrument was signed on behalf of said limited liability company, and he acknowledged that the execution of the said instrument was his free act and deed.

NOTARY PUBLIC: David L. Smith

DAVID L. SMITH
Notary Public
Minnesota
My Commission Expires Jan. 31, 2006

My commission expires: 1-31-06

SCHEDULE "A"
To Memorandum of Assignment of Lease
SCHEDULE OF RAILCARS
One Page
Six (6) Units

SCHEDULE OF RAILCARS

Six (6), 5,250 Cu ft. 100-Ton covered hopper railcars with the following marks and numbers:

	Car Number
1	MWCX480028
2	MWCX480029
3	MWCX480030
4	MWCX480031
5	MWCX480032
6	MWCX480033