

RECORDATION NO. 24420-Z FILED

AUG 9 '04

1-24 PM

ALVORD AND ALVORD
ATTORNEYS AT LAW
1050 SEVENTEENTH STREET, N.W.
SUITE 301
WASHINGTON, D.C.

SURFACE TRANSPORTATION BOARD

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

20036

OF COUNSEL
URBAN A. LESTER

(202) 393-2266

FAX (202) 393-2156

E-MAIL alvordlaw@aol.com

August 9, 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 Commercial Security Agreement Modification Agreement, dated as of August 2, 2004, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Commercial Security Agreement which was previously filed with the Board under Recordation Number 24420.

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

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

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

Mr. Vernon A. Williams
August 9, 2004
Page 2

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

33 open top hopper cars: CYXX 900513 - CYXX 900545 (formerly within the series DMVW 003601 – DMVW 003625, GSSX 010320 - GSSX 468928 as described in the attached exhibit to the document, and MWCX 010254 and MWCX 464899).

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

Memorandum of Commercial Security Agreement Modification 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

RECORDATION NO. 24420-Z FILED

AUG 9 '04

1-24 PM

SURFACE TRANSPORTATION BOARD

**MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT
MODIFICATION AGREEMENT**

dated August 2, 2004

by and between

**MIDWEST RAILCAR CORPORATION,
as Debtor**

and

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

**MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT
MODIFICATION AGREEMENT**

THIS MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT MODIFICATION AGREEMENT (this "Agreement") is made this 2nd day of August, 2004, by and between **MIDWEST RAILCAR CORPORATION**, an Illinois corporation ("the "Debtor"), and **FIRST MID-ILLINOIS BANK AND TRUST, NA**, a state-chartered Federal Reserve Member bank organized under the laws of the State of Illinois ("the Secured Party"), witnesseth:

RECITALS

- A. The Debtor and the Secured Party are parties to that certain Loan Agreement dated as of January 9, 2003 first amended May 30, 2003, and further amended March 5, 2004 (collectively, the "Loan Agreement"), pursuant to which the Secured Party agreed to extend to the Debtor a line of credit described in the Loan Agreement.
- B. To secure the Debtor's Obligations (as defined in the Loan Agreement) to the Secured Party, the Debtor executed and delivered to the Secured Party 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.
- C. A Memorandum of Commercial Security Agreement (the "Memorandum of Commercial Security Agreement") was filed and recorded with the Surface Transportation Board pursuant to 49 U.S.C 11301 (a) on April 23, 2003 at 4:01 p.m. under Recordation No. 24420.
- D. The Debtor subsequently purchased Thirty-three (33) open top hoppers (collectively, the "Railcars") described on Exhibit A attached hereto.
- E. The Secured Party and the Debtor executed a Commercial Security Agreement Modification Agreement dated as of the date hereof pursuant to which the parties amended Schedule 1 to the Commercial Security Agreement by adding the car marks and numbers of the Railcars to the collateral listed therein.
- F. The Secured Party and the Debtor desire to amend certain provisions of the Memorandum of Commercial Security Agreement.

TERMS

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Secured Party and the Debtor hereby agree as follows:

- 1. The facts set forth above are true and accurate in each respect.
- 2. The Memorandum of Commercial Security Agreement is hereby amended as follows: Exhibit A attached to the Memorandum of Commercial Security Agreement is amended by adding the car marks and numbers of the Railcars.
- 3. The term "this Memorandum" as used in the Memorandum of Commercial Security Agreement shall mean the Memorandum of Commercial Security Agreement as modified herein unless the context clearly indicates or dictates a contrary meaning.

4. This Agreement may not be amended, changed, modified, altered, or terminated without in each instance the prior written consent of the Secured Party. This Agreement shall be construed in accordance with and governed by the laws of the State of Illinois.
5. This Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one agreement.

(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*
Richard M. Murphy, III, President

WITNESS:

FIRST MID-ILLINOIS BANK AND TRUST, NA

Karen I. Ward

By: *Gordon D. Smith*
Gordon D. Smith, Community Bank President

STATE OF MN, city of Elk River

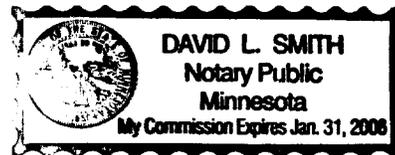
On this 2nd day of August, 2004, before me, a Notary Public of the County and State aforesaid, personally appeared Richard M. Murphy, III, to me personally known, who being by me duly sworn, says that he is the President of Midwest Railcar Corporation, an Illinois corporation, that the seal affixed to 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)

David L. Smith
Notary Public

My commission expires: 1-31-06



STATE OF ILLINOIS, County of Madison

On this 2nd day of August, 2004, 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 Community Bank 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)



Kristin Schmidt
Notary Public

My commission expires: 04-24-07

EXHIBIT "A"
DESCRIPTION OF RAILCARS

Thirty-three (33) open top hoppers bearing reporting marks as follows:

<u>Old Car Number</u>	<u>New Car Number</u>
DMVW003601	CYXX900513
DMVW003602	CYXX900514
DMVW003603	CYXX900515
DMVW003604	CYXX900516
DMVW003605	CYXX900517
DMVW003606	CYXX900518
DMVW003607	CYXX900519
DMVW003608	CYXX900520
DMVW003609	CYXX900521
DMVW003610	CYXX900522
DMVW003611	CYXX900523
DMVW003612	CYXX900524
DMVW003613	CYXX900525
DMVW003614	CYXX900526
DMVW003615	CYXX900527
DMVW003616	CYXX900528
DMVW003617	CYXX900529
DMVW003618	CYXX900530
DMVW003619	CYXX900531
DMVW003620	CYXX900532
DMVW003621	CYXX900533
DMVW003622	CYXX900534
DMVW003623	CYXX900535
DMVW003624	CYXX900536
DMVW003625	CYXX900537
GSSX010320	CYXX900538
GSSX465149	CYXX900539
GSSX466333	CYXX900540
GSSX466363	CYXX900541
GSSX466913	CYXX900542
GSSX468928	CYXX900543
MWCX010254	CYXX900544
MWCX464899	CYXX900545