

RECORDATION NO. 25560-B FILED

APR 26 '05

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SURFACE TRANSPORTATION BOARD

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

WASHINGTON, D.C.

20036

(202) 393-2266

FAX (202) 393-2156

E-MAIL [alvordlaw@aol.com](mailto:alvordlaw@aol.com)

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

OF COUNSEL  
URBAN A. LESTER

April 26, 2005

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 Leases and Rents, dated as of April 8, 2005, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Schedule #1 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 Business Bank  
11100 Wayzata Boulevard  
Suite 150  
Minnetonka, Minnesota 55305-5530

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

Mr. Vernon A. Williams  
April 26, 2005  
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A description of the railroad equipment covered by the enclosed document  
is:

10 gondola cars: MWCX 200011 - MWCX 200020.

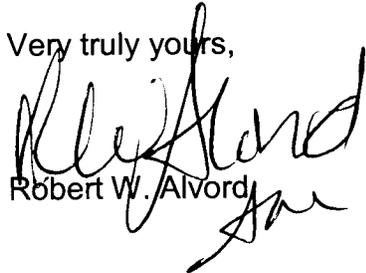
A short summary of the document to appear in the index is:

Memorandum of (Collateral) Assignment of Leases and Rents.

Also enclosed is a check in the amount of \$32.00 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 LEASES AND RENTS  
BETWEEN

THE BUSINESS BANK  
("SECURED PARTY")

AND

MIDWEST RAILCAR CORPORATION  
("DEBTOR")

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SURFACE TRANSPORTATION BOARD

April 8, 2005

This Memorandum of Assignment of Lease and Rents is hereby entered into as of this 8th day April of 2005 by and between The Business Bank, a Minnesota corporation ("Lender"), and Midwest Railcar Corporation, an Illinois corporation ("Borrower").

W I T N E S S E T H:

The Borrower hereby, assigns, transfers and sets over unto The Business Bank (hereinafter, the "Lender"), all of the Borrower's right, title and interest in and to the lease of Ten (10) 52 ft., 2000 c.f. 100 ton (263,000 lb GRL) mil-type Gondolas. Car Numbers MWCX 200011 – 200020, inclusive., as evidenced by that Schedule #1 made effective February 23, 2005 which incorporates therein by reference the Full Service Master Lease Agreement dated February 23, 2004 by and between Borrower (as Lessor) and 707484 Ontario Limited, an Ontario Corporation, (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 Borrower to the Lender as provided for in the Commercial Security Agreement dated April 8, 2005 (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 reincurred, 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 Borrower to the Lender of any and all indebtedness of the Borrower to the Lender arising under the Agreement and the Promissory Notes, while no default exists under any of the other provisions thereof. If such payment in full is made by the Borrower 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 Borrower, the Borrower 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 and Rents may be executed in any number of counterparts, each executed counterpart constituting an original but together only one memorandum of Assignment of Lease and Rents.

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 BUSINESS BANK  
as Lender

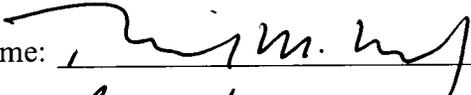
By:

Name:  \_\_\_\_\_

Title: Vice President

MIDWEST RAILCAR CORPORATION  
as Borrower

By:

Name:  \_\_\_\_\_

Title:  \_\_\_\_\_

STATE OF

IN

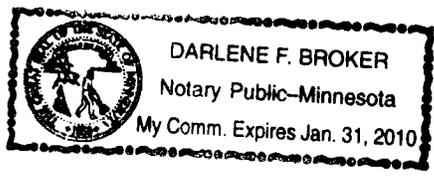
)

COUNTY OF Hennepin )  
 ) ss.

On this 8<sup>th</sup> day of April 2005, before me personally appeared Brian R. Munderloh, to me personally known, who being by me duly sworn, says that he is the Vice President of The Business Bank, 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: Darlene F. Broker

My commission expires:

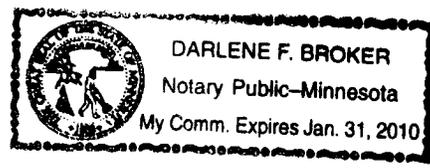


STATE OF MN )  
 ) ss.  
COUNTY OF Hennepin )

On this 8<sup>th</sup> day of April 2005, before me personally appeared Richard M. Murphy, to me personally known, who being by me duly sworn, says that he is the President of Midwest Railcar Corporation, that the foregoing instrument was signed on behalf of said Corporation, and he acknowledged that the execution of the said instrument was his free act and deed.

NOTARY PUBLIC: Darlene F. Broker

My commission expires:



SCHEDULE "A"  
To Memorandum of Assignment of Lease and Rents  
SCHEDULE OF RAILCARS  
One Page  
Written Number (Number in Numeric) Units

Ten (10) 52 ft., 2000 c.f. 100 ton (263,000 lb GRL) mil-type Gondolas. Car Numbers  
MWCX 200011 – 200020, inclusive.