

RECORDATION NO. 25865-D FILED

OCT 11 '05

11:16 AM

SURFACE TRANSPORTATION BOARD

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ELIAS C. ALVORD (1942)
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OF COUNSEL
URBAN A. LESTER

October 7, 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 Lease, dated as of September 27, 2005, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Amendment No. 1 to Railroad Equipment Lease Agreement previously filed with the Board under Recordation Number 25864.

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

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

Assignor: Midwest Railcar Corporation
4949 Autumn Oaks Drive, Suite B
Maryville, Illinois 62062

Mr. Vernon A. Williams

October 7, 2005

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

24 boxcars: TKEN 005300 - TKEN 005324 (except TKEN 005314).

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 \$33.00 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. 25865-D FILED

MEMORANDUM OF (COLLATERAL) ASSIGNMENT
OF LEASE

OCT 11 '05 11-16 AM

SURFACE TRANSPORTATION BOARD

BETWEEN

THE BANK OF EDWARDSVILLE
("BANK")

AND

MIDWEST RAILCAR CORPORATION
("ASSIGNOR")

September 27, 2005

This Memorandum of Assignment of Lease is hereby entered into as of this 27th day September, 2005 by and between The Bank of Edwardsville, an Illinois corporation ("Bank"), and Midwest Railcar Corporation, an Illinois corporation ("Assignor").

WITNESSETH:

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 up to ninety-six (96) 50 ft., 70-ton Plate C boxcars as evidenced by that certain Per Diem Lease Agreement dated October 18, 2002, by and between Joseph Transportation Services, Inc. subsequently assigned to Assignor (as Lessor) and Arkansas Midland Railroad (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 September 27, 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 therefore 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.

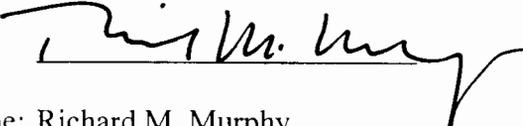
THE BANK OF EDWARDSVILLE
as Bank

By: 

Name: William D. Barlow

Title: Vice President

MIDWEST RAILCAR CORPORATION
as Assignor

By: 

Name: Richard M. Murphy

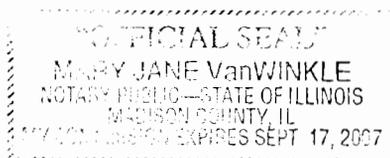
Title: President & CEO

STATE OF Illinois)
) ss.
COUNTY OF Madison)

On this 27th day of September, 2005, 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: Mary Jane VanWinkle

My commission expires: 9-17-07

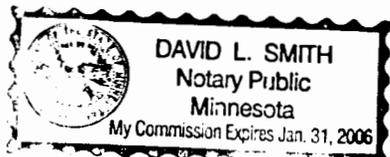


STATE OF MN)
) ss.
COUNTY OF Sherburne)

On this 27th day of September, 2005, 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

My commission expires: 1-31-06



SCHEDULE "A"
To Memorandum of Assignment of Lease
SCHEDULE OF RAILCARS
One Page
Ninety-six (96) Units

SCHEDULE OF RAILCARS

Ninety-six (96) 50 ft., 70-ton Plate C boxcars, with the following marks and numbers:

TKEN769501	TKEN771507	TKEN774538
TKEN769502	TKEN771510	TKEN774546
TKEN769503	TKEN771511	TKEN775500
TKEN769504	TKEN771512	TKEN775501
TKEN769505	TKEN771513	TKEN775502
TKEN769506	TKEN771515	TKEN775504
TKEN769507	TKEN771517	TKEN775506
TKEN769508	TKEN771518	TKEN775507
TKEN769509	TKEN771520	TKEN775508
TKEN769510	TKEN771521	TKEN775510
TKEN769511	TKEN771522	TKEN775512
TKEN769513	TKEN774504	TKEN775513
TKEN769518	TKEN774505	TKEN775514
TKEN769520	TKEN774507	TKEN775515
TKEN769522	TKEN774508	TKEN777500
TKEN769523	TKEN774509	TKEN777501
TKEN769524	TKEN774511	TKEN777503
TKEN769525	TKEN774516	TKEN777505
TKEN769526	TKEN774517	TKEN777507
TKEN769527	TKEN774519	TKEN777508
TKEN769528	TKEN774520	TKEN777509
TKEN769529	TKEN774522	TKEN778500
TKEN769530	TKEN774524	TKEN778501
TKEN769531	TKEN774526	TKEN778502
TKEN769532	TKEN774528	TKEN778503
TKEN769535	TKEN774530	TKEN778504
TKEN771501	TKEN774531	TKEN778506
TKEN771502	TKEN774532	TKEN778507
TKEN771503	TKEN774533	TKEN778508
TKEN771504	TKEN774535	TKEN778510
TKEN771505	TKEN774536	TKEN778511
TKEN771506	TKEN774537	TKEN778512