

RECORDATION NO. 26254 FILED

MAR 21 '06 1-49 PM

SURFACE TRANSPORTATION BOARD

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

March 21, 2006

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 December 28, 2005, a primary document as defined in the Board's Rules for the Recordation of Documents.

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

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

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

Mr. Vernon A. Williams  
March 21, 2006  
Page 2

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

169 covered hopper cars, USLX 20427, 112 within the series NAHX 12199 – NAHX 890664 and 56 within the series EEC 50009 – EEC 50980 as more particularly set forth in the equipment schedule attached to the document.

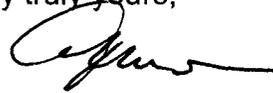
A short summary of the document to appear in the index is:

Memorandum of Commercial Security Agreement.

Also enclosed is a check in the amount of \$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

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SURFACE TRANSPORTATION BOARD

**MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT**

**dated December 28, 2005**

**by and between**

**MIDWEST RAILCAR CORPORATION,  
as Debtor**

**and**

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

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## MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT

**THIS MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT** (this "Memorandum") is made this 28<sup>th</sup> day of December, 2005, by and between **MIDWEST RAILCAR CORPORATION**, an Illinois corporation ("Borrower"), and **FIRST MID-ILLINOIS BANK AND TRUST, NA**, a state-chartered Federal Reserve Member bank organized under the laws of the State of Illinois ("Bank").

- A. The Borrower and the Bank are parties to that certain Loan Agreement dated as of December 28, 2005 (collectively, the "Loan Agreement"), pursuant to which the Bank agreed to make to the Borrower the loans described in the Agreement.
- B. To secure the Borrower's Obligations (as defined in the Loan Agreement) to the Bank, the Borrower executed and delivered to the Bank a Commercial Security Agreement dated as of December 28, 2005, pursuant to which the Borrower granted to the Bank a continuing, first priority security interest in and to, and lien on, the following collateral:
  - (a) One-Hundred Sixty-Nine (169) covered hoppers described on Exhibit A attached hereto (each, a "Railcar", collectively, the "Railcars") and all replacements and substitutions thereof;
  - (b) All improvements, additions, modifications, accessions, attachments, appurtenances and parts appertaining or attached to the Railcars, whether now owned or hereafter acquired;
  - (c) All logs, books and records pertaining to the use, operation and/or maintenance of the Railcars or otherwise relating to any of the collateral described herein;
  - (d) All rights, claims and causes of action, if any, which the Borrower may have now or in the future against any manufacturer, rebuilder or seller of the Railcars (or any component thereof) or any other Person, by contract or otherwise, in respect of any defect in the Railcars or any part thereof;
  - (e) Any agreement now or hereafter entered into for leasing the Railcars to any third party, including, without limitation, Rider No. 22 dated November 1, 2005 to the amended and restated Car Leasing Agreement No. 1217-83 dated December 26, 1986 between the borrower as Lessor (pursuant to an Assignment and Assumption Agreement dated December 29, 2005 by and between General Electric Railcar Services Corporation, as Seller, and Midwest Railcar Corporation, as Buyer, whereby Seller sold all of its rights, title and interest in and to the Railcars to Buyer and assigned all of its rights and obligations under the Lease to Buyer) and CSX Transportation, Inc., as Lessee and the right to receive all payments and other sums due and to become due from time to time thereunder, to receive all notices and give consents, to exercise any election or option, to declare defaults and to demand payment of any sum due in connection therewith;
  - (f) All rent, damages and other moneys from time to time payable to or receivable by the Borrower in respect of the Railcars;
  - (g) All proceeds (cash and non-cash), including insurance proceeds, settlement proceeds and condemnation awards thereof.

**(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

Karyn J. Ward

By: Gordon D. Smith  
Gordon D. Smith, Regional President

STATE OF MN, County of Sherburne

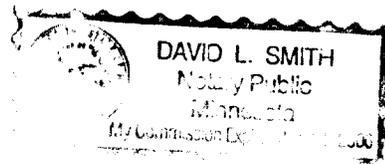
On this 28<sup>th</sup> day of December, 2005, before me, a Notary Public of the County and State aforesaid, personally appeared Richard M. Murphy, III, to me personally known, who being by me duly sworn, says that he is the President of Midwest Railcar Corporation, an Illinois corporation, that the 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 28<sup>th</sup> day of December, 2005, 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 Regional 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:

EXHIBIT "A"

DESCRIPTION OF RAILCARS

One Hundred Sixty-Nine covered hoppers bearing reporting marks as follows:

NAHX 12199	NAHX 466883	NAHX 487297	EEC 50328
NAHX 15679	NAHX 466884	NAHX 487378	EEC 50384
NAHX 15704	NAHX 475550	NAHX 487436	EEC 50390
NAHX 15725	NAHX 476000	NAHX 487515	EEC 50442
NAHX 15734	NAHX 476264	NAHX 487527	EEC 50443
NAHX 15803	NAHX 476267	NAHX 487866	EEC 50447
USLX 20427	NAHX 476278	NAHX 488381	EEC 50532
NAHX 46242	NAHX 477613	NAHX 488415	EEC 50535
NAHX 46729	NAHX 477757	NAHX 488473	EEC 50536
NAHX 46923	NAHX 478489	NAHX 488477	EEC 50537
NAHX 49156	NAHX 478747	NAHX 488512	EEC 50542
NAHX 49159	NAHX 478981	NAHX 488577	EEC 50554
NAHX 49176	NAHX 479580	NAHX 488729	EEC 50556
NAHX 49199	NAHX 479585	NAHX 489401	EEC 50559
NAHX 49242	NAHX 479588	NAHX 490306	EEC 50564
NAHX 52883	NAHX 479594	NAHX 490362	EEC 50565
NAHX 52896	NAHX 479717	NAHX 510303	EEC 50567
NAHX 52955	NAHX 480061	NAHX 511637	EEC 50570
NAHX 52997	NAHX 480210	NAHX 800019	EEC 50582
NAHX 53188	NAHX 480411	NAHX 800413	EEC 50593
NAHX 53213	NAHX 480737	NAHX 800578	EEC 50594
NAHX 53241	NAHX 480881	NAHX 800580	EEC 50608
NAHX 54137	NAHX 480897	NAHX 800639	EEC 50612
NAHX 54423	NAHX 480980	NAHX 890504	EEC 50630
NAHX 54787	NAHX 481206	NAHX 890664	EEC 50632
NAHX 55511	NAHX 481779	EEC 50009	EEC 50634
NAHX 55589	NAHX 481785	EEC 50056	EEC 50637
NAHX 55600	NAHX 481816	EEC 50058	EEC 50653
NAHX 55664	NAHX 481825	EEC 50068	EEC 50698
NAHX 55682	NAHX 482064	EEC 50082	EEC 50705
NAHX 55687	NAHX 482513	EEC 50090	EEC 50778
NAHX 57461	NAHX 482562	EEC 50094	EEC 50791
NAHX 57488	NAHX 482583	EEC 50104	EEC 50800
NAHX 63677	NAHX 482584	EEC 50106	EEC 50810
NAHX 63687	NAHX 482666	EEC 50121	EEC 50811
NAHX 63981	NAHX 483461	EEC 50141	EEC 50916
NAHX 64155	NAHX 483624	EEC 50145	EEC 50980
NAHX 65154	NAHX 485001	EEC 50152	
NAHX 190340	NAHX 485014	EEC 50156	
NAHX 300107	NAHX 485077	EEC 50158	
NAHX 316513	NAHX 485079	EEC 50238	
NAHX 316765	NAHX 485091	EEC 50267	
NAHX 316844	NAHX 486338	EEC 50301	
NAHX 465912	NAHX 486467	EEC 50310	