

RECORDATION NO. 26537-A FILED

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SURFACE TRANSPORTATION BOARD

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

OF COUNSEL
URBAN A. LESTER

September 1, 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, entered into as of August 18, 2006, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Schedule #13 to Full Service Master Lease Agreement being filed with the Board under Recordation Number _____.

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

Lender: Partners Bank
1 Ginger Creek Meadows
Glen Carbon, IL 62034

Grantor: Midwest Railcar Corporation
4949 Autumn Oaks Drive
Maryville, IL 62062

Mr. Vernon A. Williams
September 1, 2006
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A description of the railroad equipment covered by the enclosed document is:

50 covered hopper railcars: MWCX 300048 – MWCX 300097.

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 \$34.00 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/sem
Enclosures

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT

BETWEEN

**PARTNERS BANK
("LENDER")**

AND

**MIDWEST RAILCAR CORPORATION
("GRANTOR")**

AUGUST 18, 2006

Memorandum of Commercial Security Agreement made and entered into as of August 18, 2006, by and between Partners Bank, an Illinois corporation ("Lender"), and Midwest Railcar Corporation, an Illinois corporation ("Grantor").

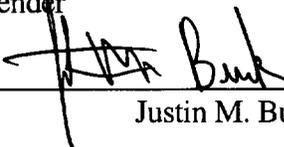
WITNESSETH:

To secure all obligations of the Grantor under a certain Commercial Security Agreement dated as of August 18, 2006 (the "Security Agreement"), and that certain Promissory Note dated August 18, 2006, Grantor hereby assigns to Lender all of Grantor's rights, title and interest in, the railcars set forth and described on the Schedule of Railcars attached hereto (the railcars on the aforementioned Schedule of Railcars shall hereinafter be called the "Railcars"), as such Schedule of Railcars may be amended from time to time, and grants to Lender a first priority security interest in: (i) the Railcars; (ii) Grantor's interest in accessions, accessories, equipment, appurtenances and replacement and added parts appertaining or attached to any of the Railcars owned or hereinafter acquired, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any of the Railcars, together with all the rents, issues, income, profits, proceeds and avails therefrom and the proceeds thereof; (iii) all proceeds and all present and future evidences of rights to payment, (including, without limitation, insurance and indemnity payments) due or to become due to Grantor on account of the lease, sale, loss or other disposition of the Railcars; (iv) that certain Schedule #13 dated effective December 11, 2003 which incorporates by reference that Full Service Lease Agreement dated effective December 11, 2003, by and between Grantor (as Lessor) and Badger Mining Corporation, a Wisconsin Corporation (as Lessee), and any other Exhibits or Schedules thereto (together, the "Lease") and all bills of sales or other similar documents, agreements and instruments relating to the Railcars, and all other leases, chattel paper, agreements, accounts, bank or deposit accounts and instruments relating to the Railcars, whether now existing or hereafter arising (collectively, the "Documentary Security" or "Security Documentation"), together with all of Grantor's estate, right, title, interest, claims and demands in, to and under such documents, agreements and instruments including all extensions of any of the terms thereof, together with all rights, powers, privileges, options, and other benefits of Grantor including without limitation the right to receive notices, give consents, exercise any election or option, declare defaults and demand payments thereunder, and (v) all rent, damages and other moneys from time to time payable to or receivable by Grantor under the Documentary Security (the Railcars, Documentary Security, proceeds, rights, claims and causes of action described in items (i) through (v) above being herein sometimes collectively called the "Collateral"), to have and to hold all and every part of the Collateral unto Lender, and its successors and assigns, for its and their own use and benefit forever.

This Memorandum of Commercial Security Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but together only one Memorandum of Commercial Security Agreement.

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.

PARTNERS BANK,
as Lender

By: 
Justin M. Burk

Title: Assistant Vice President

Date: 8/18/06

MIDWEST RAILCAR CORPORATION,
as Grantor

By: 
Richard M. Murphy, II

Title: President & CEO

Date: 8-17-06

STATE OF ILLINOIS)
) ss.
COUNTY OF MADISON)

On this 18th day of August 2006, before me personally appeared Justin M. Burk, to me personally known, who being by me duly sworn, says that he is the Assistant Vice President of Partners 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.

Marilyn S. Warren
NOTARY PUBLIC

My commission expires: 1-22-2010



STATE OF Minnesota)
) ss.
COUNTY OF Hennepin)

On this 17 day of August 2006, 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, an Illinois corporation that the foregoing instrument was signed on behalf of Midwest Railcar Corporation, and he acknowledged that the execution of the said instrument was his free act and deed.

[Signature]
NOTARY PUBLIC

My commission expires: Jan 31, 2010



SCHEDULE OF RAILCARS

Fifty (50) 3,010 c.f., Pullman Standard built in 1972, 100-ton Carbon Steel, Two
Compartment Round Hatch with gravity gate, Covered Hopper Cars, more
Specifically identified by Reporting Marks:

MWCX 300048 – MWCX 300097, inclusive