

OCT 11 '06 2-37 PM

SURFACE TRANSPORTATION BOARD

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

OF COUNSEL  
URBAN A. LESTER

October 11, 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 (Collateral) Assignment of Leases and Rents, dated as of September 27, 2006, 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 being filed with the Board under Recordation Number 26599-A.

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

Secured Party: The Business Bank  
11100 Wayzata Boulevard, Suite 150  
Minnetonka, Minnesota 55305-5530

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

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

41 railcars: HS 1983, HS 1985, HS 1986, HS 3051, MMRR 63007, MMRR 63048, MMRR 63456, MMRR 63504, MMRR 65001, MMRR 190063, MMRR 190999 and within the following series: HS 23080 – HS 23174; HESR 253440 – HESR 253566; and MMRR 465703 – MMRR 489329 as more particularly set forth in the attachment to the document.

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 \$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

MEMORANDUM OF (COLLATERAL) ASSIGNMENT  
OF LEASES AND RENTS  
BETWEEN

RECORDATION NO. 26599-B FILED

THE BUSINESS BANK  
("SECURED PARTY")

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AND

SURFACE TRANSPORTATION BOARD

MIDWEST RAILCAR CORPORATION  
("DEBTOR")

September 27, 2006

This Memorandum of Assignment of Lease and Rents is hereby entered into as of this 27th day September of 2006 by and between The Business Bank, a Minnesota corporation ("Lender"), and Midwest Railcar Corporation, an Illinois corporation ("Borrower").

WITNESSETH:

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 Forty-one (41) 4750 c.f. 100 ton covered hoppers. Car Numbers HS 1983, HS 1985, HS 1986, HS 3051, HS 23080, HS 23099, HS 23148, HS 23165, HS 23167, HS 23174, MMRR 63007, MMRR 63048, MMRR 63456, MMRR 63504, MMRR 65001, MMRR 190063, MMRR 190999, HESR 253440, HESR 253474, HESR 253498, HESR 253500, HESR 253504, HESR 253506, HESR 253529, HESR 253531, HESR 253541, HESR 253566, MMRR 465703, MMRR 475834, MMRR 477572, MMRR 477609, MMRR 480814, MMRR 481034, MMRR 482160, MMRR 483191, MMRR 484465, MMRR 485121, MMRR 487298, MMRR 487507, MMRR 489306, MMRR 489329., as evidenced by that Schedule #35 made effective August 1, 2006 which incorporates therein by reference the Railroad per diem Lease Agreement No. 7321-92-01 between Borrower (as Lessor) and RAILTEX, INC., a Texas 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 September 27th, 2006 (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

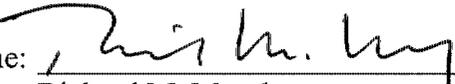
By:

Name: 

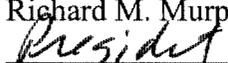
Title: Vice President

MIDWEST RAILCAR CORPORATION  
as Borrower

By:

Name: 

Richard M. Murphy

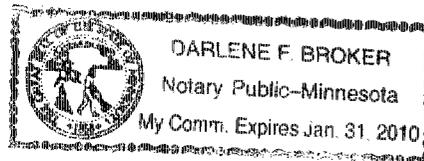
Title:  President

STATE OF MN )  
 ) ss.  
COUNTY OF Hennepin )

On this 26<sup>th</sup> day of Sept 2006, 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 J. Broker

My commission expires: 1/31/2010

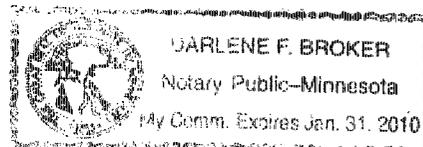


STATE OF MN )  
 ) ss.  
COUNTY OF Hennepin )

On this 26<sup>th</sup> day of Sept 2006, 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 J. Broker

My commission expires: 1-31-2010



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

(41) Forty-one Car Numbers HS 1983, HS 1985, HS 1986, HS 3051, HS 23080, HS 23099, HS 23148, HS 23165, HS 23167, HS 23174, MMRR 63007, MMRR 63048, MMRR 63456, MMRR 63504, MMRR 65001, MMRR 190063, MMRR 190999, HESR 253440, HESR 253474, HESR 253498, HESR 253500, HESR 253504, HESR 253506, HESR 253529, HESR 253531, HESR 253541, HESR 253566, MMRR 465703, MMRR 475834, MMRR 477572, MMRR 477609, MMRR 480814, MMRR 481034, MMRR 482160, MMRR 483191, MMRR 484465, MMRR 485121, MMRR 487298, MMRR 487507, MMRR 489306, MMRR 489329.