

FLETCHER & SIPPEL LLC

ATTORNEYS AT LAW

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RECORDATION NO. 32098
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SURFACE TRANSPORTATION BOARD

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February 3, 2016

Chief
Section of Administration
Office of Proceedings
Surface Transportation Board (the "Board")
395 E Street, S.W.
Washington, D.C. 20423-0001

Re: Iowa Interstate Railroad, Ltd.
Memorandum of Collateral Trust Indenture and Security Agreement

Dear Chief:

Enclosed for recordation pursuant to Section 11301 of Title 49 of the United States Code, is a Memorandum of Collateral Trust Indenture and Security Agreement, effective as of February 2, 2016, between Iowa Interstate Railroad, Ltd., as borrower (the "*Borrower*") and U.S. Bank National Association, not in its individual capacity, but solely as collateral trustee (the "*Trustee*"), a primary document as defined in the Board's Rules for the Recordation of Documents.

The Memorandum of Collateral Trust Indenture and Security Agreement covers all rail equipment now owned **and hereafter acquired** by the Borrower. The names and addresses of the parties to the enclosed document are:

Borrower:	Iowa Interstate Railroad, Ltd. 5900 6th Street S.W. Cedar Rapids, Iowa 52404
Trustee:	U.S. Bank National Association West Side Flats 60 Livingston Avenue St. Paul, Minnesota 55107 Attention: Iowa Interstate Rail Administrator

FLETCHER & SIPPET LLC

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The equipment covered as of the date hereof by the aforesaid Memorandum of Collateral Trust Indenture and Security Agreement consists of all rail equipment now owned **and hereafter acquired** by the Borrower, including the railcars and locomotives bearing the road numbers and reporting marks within the series set forth below, all as specifically described in the Memorandum of Collateral Trust Indenture and Security Agreement attached hereto.

- 1 Flatcar bearing the reporting mark IAIS 1342
- 54 Covered Hopper Cars bearing the reporting marks within the series IAIS 7400 through IAIS 7499 (not inclusive) and IAIS 26000
- 2 Business Cars bearing the reporting marks within the series IAIS 100 through IAIS 101, inclusive
- 4 SD38-2 Locomotives bearing the reporting marks within the series IAIS 150 through IAIS 153, inclusive
- 17 ES44AC Locomotives bearing the reporting marks within the series IAIS 500 through IAIS 516, inclusive
- 2 Slug Locomotives bearing the reporting marks within the series IAIS 650 through IAIS 651, inclusive
- 17 GP38-2 Locomotives bearing the reporting marks within the series IAIS 700 through IAIS 721, not inclusive

A short summary of the document to appear in the index is: Memorandum of Collateral Trust Indenture and Security Agreement.

A check in the amount of forty-three dollars (\$43.00) payable to the order of the Surface Transportation Board covering the required recordation fee is being sent separately with an original and a copy supported by declaration. Please time and date stamp the enclosed copy of the enclosed document along with the extra copy of this letter as proof of filing and recordation of the enclosed document and return the original and any extra copies of such document and this letter not needed by the Board for recordation to:

James Helenhouse
Fletcher & Sippel LLC
29 N Wacker Drive, Suite 920
Chicago IL 60606-2832

FLETCHER & SIPPEL LLC

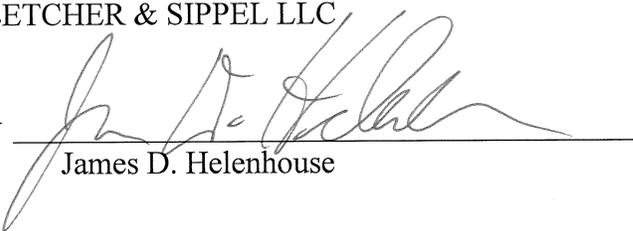
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If you have any questions or need further information, please do not hesitate to contact the undersigned (312) 252-1501.

Sincerely,

FLETCHER & SIPPEL LLC

By


James D. Helenhouse

Enclosure

MEMORANDUM OF COLLATERAL TRUST INDENTURE AND SECURITY AGREEMENT

MEMORANDUM OF COLLATERAL TRUST INDENTURE AND SECURITY AGREEMENT effective as of February 2, 2016, by and between IOWA INTERSTATE RAILROAD, LTD., a Delaware corporation, as borrower (the "*Borrower*") and U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity, but solely as collateral trustee (the "*Trustee*").

WITNESSETH:

1. The Borrower and certain purchasers (the "*Purchasers*") have entered into that certain Note Purchase Agreement, dated as of February 2, 2016 (as amended, amended, supplemented or modified, the "*Note Agreement*") whereby the Borrower has issued to the Purchasers, and the Purchasers have purchased from the Borrower, certain Notes (as defined in the Note Agreement) on the terms and conditions set forth therein.

2. To secure, among other things, the Borrower's payment and performance of the Notes, the Note Agreement and certain other Operative Agreements (as defined in the Note Agreement), the Borrower has granted a security interest to the Trustee (for the benefit of the Secured Parties (as defined in the Indenture described below)) in all of the Borrower's assets (other than Qualified Assets (as defined in the Indenture described below)), whether now existing or hereafter created or acquired and wherever located, including all right, title and interest, in, to and under the certain railroad equipment bearing reporting marks and road numbers as listed on Exhibit A attached hereto (or as such equipment may be subsequently identified), pursuant to the terms that certain Collateral Trust Indenture and Security Agreement, dated as of February 2, 2016 (as amended, supplemented or modified, the "*Trust Indenture*") by and among the Purchasers, the Borrower and the Trustee.

3. The undersigned acknowledge and agree that (i) this Memorandum of Collateral Trust Indenture and Security Agreement is not a complete summary of the Trust Indenture nor a complete recitation of the terms and provisions thereof and (ii) in the event of a conflict between this Memorandum of Collateral Trust Indenture and Security Agreement and the provisions of the Trust Indenture, the provisions of the Indenture shall control.

4. This Memorandum of Collateral Trust Indenture and Security Agreement is being recorded with the Surface Transportation Board pursuant to Section 11301 of Title 49 of the United States Code.

IN WITNESS WHEREOF, each of the parties hereto has caused this Memorandum of Collateral Trust Indenture and Security Agreement to be duly executed in its name as of the date set forth below and effective as of the date first above written.

BORROWER:

IOWA INTERSTATE RAILROAD, LTD.

By 
Name: Jerome P. Lipka
Title: President

Executed on this 2nd day of February, 2016.

TRUSTEE:

U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity, but solely as Trustee

By _____
Name: Rick Prokosch
Title: Vice President

Executed on this ____ day of February, 2016.

STATE OF Iowa)
) SS.:
COUNTY OF hinn)

On this, the 2 day of February, 2016, before me, a Notary Public in and for said County and State, personally appeared Jerome P. Lipka, who being by me duly sworn, says that he is the President of IOWA INTERSTATE RAILROAD, LTD., a Delaware corporation, that said instrument was signed on February 2, 2016, on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.



Mandy R. Coates
Notary Public

My Commission Expires:

STATE OF _____)
) SS.:
COUNTY OF _____)

On this, the ____ day of February, 2016, before me, a Notary Public in and for said County and State, personally appeared Rick Prokosch who being by me duly sworn, says that he is the Vice President of U.S. BANK NATIONAL ASSOCIATION, that said instrument was signed on February ____, 2016, on behalf of said association by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Notary Public

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BORROWER:

IOWA INTERSTATE RAILROAD, LTD.

By _____

Name: Jerome P. Lipka

Title: President

Executed on this ____ day of February, 2016.

TRUSTEE:

U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity, but solely as Trustee

By *R Prokosch*

Name: Rick Prokosch

Title: Vice President

Executed on this 3rd day of February, 2016.

EXHIBIT A

RAILCARS AND LOCOMOTIVES

EQUIPMENT	QUANTITY	REPORTING MARKS
Flatcar	1	IAIS 1342
Covered Hopper Cars	54	IAIS 7400 through IAIS 7404, inclusive IAIS 7406 through IAIS 7409, inclusive IAIS 7412 through IAIS 7417, inclusive IAIS 7419 through IAIS 7420, inclusive IAIS 7422 through IAIS 7426, inclusive IAIS 7431 through IAIS 7434, inclusive IAIS 7436 IAIS 7438 IAIS 7440 IAIS 7442 through IAIS 7444, inclusive IAIS 7448 through IAIS 7450, inclusive IAIS 7453 through IAIS 7454, inclusive IAIS 7457 IAIS 7459 IAIS 7462 IAIS 7468 IAIS 7471 through IAIS 7473, inclusive IAIS 7477 IAIS 7479 through IAIS 7480, inclusive IAIS 7484 through IAIS 7485, inclusive IAIS 7491 through IAIS 7492, inclusive IAIS 7495 IAIS 7499 IAIS 26000

EQUIPMENT	QUANTITY	REPORTING MARKS
Business Cars	2	IAIS 100 through IAIS 101, inclusive
SD38-2 Locomotives	4	IAIS 150 through IAIS 153, inclusive
ES 44AC Locomotives	17	IAIS 500 through IAIS 516, inclusive
Slug Locomotives	2	IAIS 650 through IAIS 651, inclusive
GP38-2 Locomotives	17	IAIS 700 through IAIS 703, inclusive IAIS 705 IAIS 707 through IAIS 708, inclusive IAIS 710 through IAIS 716, inclusive IAIS 718 IAIS 719 IAIS 721

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WITNESSETH:

1. The Borrower and certain purchasers (the "*Purchasers*") have entered into that certain Note Purchase Agreement, dated as of February 2, 2016 (as amended, amended, supplemented or modified, the "*Note Agreement*") whereby the Borrower has issued to the Purchasers, and the Purchasers have purchased from the Borrower, certain Notes (as defined in the Note Agreement) on the terms and conditions set forth therein.

2. To secure, among other things, the Borrower's payment and performance of the Notes, the Note Agreement and certain other Operative Agreements (as defined in the Note Agreement), the Borrower has granted a security interest to the Trustee (for the benefit of the Secured Parties (as defined in the Indenture described below)) in all of the Borrower's assets (other than Qualified Assets (as defined in the Indenture described below)), whether now existing or hereafter created or acquired and wherever located, including all right, title and interest, in, to and under the certain railroad equipment bearing reporting marks and road numbers as listed on Exhibit A attached hereto (or as such equipment may be subsequently identified), pursuant to the terms that certain Collateral Trust Indenture and Security Agreement, dated as of February 2, 2016 (as amended, supplemented or modified, the "*Trust Indenture*") by and among the Purchasers, the Borrower and the Trustee.

3. The undersigned acknowledge and agree that (i) this Memorandum of Collateral Trust Indenture and Security Agreement is not a complete summary of the Trust Indenture nor a complete recitation of the terms and provisions thereof and (ii) in the event of a conflict between this Memorandum of Collateral Trust Indenture and Security Agreement and the provisions of the Trust Indenture, the provisions of the Indenture shall control.

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BORROWER:

IOWA INTERSTATE RAILROAD, LTD.

By 
Name: Jerome P. Lipka
Title: President

Executed on this 2nd day of February, 2016.

TRUSTEE:

U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity, but solely as Trustee

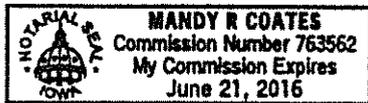
By _____
Name: Rick Prokosch
Title: Vice President

Executed on this ____ day of February, 2016.

STATE OF Iowa)
) SS.:
COUNTY OF hinn)

On this, the 2 day of February, 2016, before me, a Notary Public in and for said County and State, personally appeared Jerome P. Lipka, who being by me duly sworn, says that he is the President of IOWA INTERSTATE RAILROAD, LTD., a Delaware corporation, that said instrument was signed on February 2, 2016, on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.



Mandy R. Coates
Notary Public

My Commission Expires:

STATE OF _____)
) SS.:
COUNTY OF _____)

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BORROWER:

IOWA INTERSTATE RAILROAD, LTD.

By _____

Name: Jerome P. Lipka

Title: President

Executed on this ____ day of February, 2016.

TRUSTEE:

U.S. BANK NATIONAL ASSOCIATION, not in its individual capacity, but solely as Trustee

By *R Prokosch*

Name: Rick Prokosch

Title: Vice President

Executed on this 3rd day of February, 2016.

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Under penalty of perjury, I declared that I have compared the foregoing copy of the Memorandum of Collateral Trust Indenture and Security Agreement with the original and have found the copy to be complete and identical in all respects to the original document.



James D. Helenhouse
Filer for Debtor