

BTM Capital Corporation

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Mailing Address:
P.O. Box 2332
Boston, MA 02107

May 19, 1997

RECORDATION NO. 20694 FILED

MAY 23 '97

9-32 AM

RECORDATION NO. 20694-A FILED

MAY 23 '97

9-32 AM

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423

Dear Secretary Williams:

I submit for filing and recording under 49 U.S.C. Section 11303(a) and the regulations promulgated thereunder, one enclosed executed counterpart and one (1) certified copy of the following documents: Railcar Lease Agreement dated May 16, 1997 and Assignment of Lease Agreement dated May 16, 1997.

The parties to the Railcar Lease Agreement and Assignment of Lease Agreement are:

Lessor: Railcar, Ltd.
1819 Peachtree Road, N.E.
Suite 455
Atlanta, Georgia 30390
Attention: President

Lessee: Iowa Interstate Railroad, Ltd.
800 Webster Street
Iowa City, Iowa 52240
Attention: Directors, Customer Service

Assignee: BTM Capital Corporation
125 Summer Street
Boston, Massachusetts 02110
Attention: Senior Vice President
Administration

The equipment covered in the Railcar Lease Agreement and the Assignment of Lease Agreement is as follows:

| <u>A.A.R.</u> <u>Mechanical</u> <u>Designation</u> | <u>Description</u> | <u>Reporting</u> <u>Marks and</u> <u>Car Nos.</u> | <u>Number</u> <u>of Cars</u> |
|--|-----------------------------------|---|---------------------------------|
| GB | 110 Ton 52'6" End Gondola Cars | IAIS30000 to IAIS30099 | 100 |

LJ/lowa/TLetter

A short summary of the documents to appear in the index is as follows:

Railcar Lease Agreement and Assignment of Railcar Lease Agreement by Lessor to Assignee.

Enclosed is our check for \$24.00 in payment of the filing fee. Once this filing has been made, please return to the undersigned the stamped counterpart of each document not required for filing purposes, together with the fee receipt and the letter from the STB acknowledging the filing.

Very truly yours,



Elizabeth K. Johnson
Vice President and
Senior Counsel

Iowa/TLetter
Enclosures

MAY 23 '97

9-32AM

RAILCAR LEASE AGREEMENT

Railcar Lease Agreement, dated May 16, 1997 (this "Agreement") by and between RAILCAR, LTD., a Georgia corporation ("Lessor") and IOWA INTERSTATE RAILROAD, LTD., an Iowa corporation ("Lessee").

1. Scope of Agreement

A. Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, railroad equipment of the type and description as set forth in each Equipment Schedule attached hereto and made a part of this Agreement.

B. The items of equipment indicated on any Equipment Schedule hereto are collectively called the "Cars".

2. Term

The term of this Agreement for each Car shall commence on May 16, 1997 (the "Commencement Date") and remain in full force until May 16, 2000 (the "Initial Term"). Upon the expiration of the initial Term or any automatic extension, this Agreement shall be automatically extended for an additional period of twelve (12) months (the "Extended Term", and together with the Initial Term, the "Term") unless notice is given by either party at least sixty (60) days prior to the end of the Initial Term or Extended Term.

3. Supply Provisions

A. The Cars have been delivered to Lessee, Lessee hereby unconditionally and irrevocably accepts the Cars for all purposes of this Agreement and Lessor shall not be liable to Lessee for any failure or delay in obtaining any Car or making delivery thereof. Lessee acknowledges that the Cars are in good condition and repair and suitable for interchange. Any prior lease agreement executed by Lessee concerning the Cars has expired or been terminated.

B. LESSOR LEASES THE CARS AS-IS, AND LESSOR MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND RESPECTING THE CARS WHETHER STATUTORY, WRITTEN, ORAL OR IMPLIED AND LESSOR HAS NOT MADE AND DOES NOT HEREBY MAKE, NOR SHALL IT BE DEEMED BY VIRTUE OF HAVING LEASED THE CARS PURSUANT TO THIS LEASE TO HAVE MADE, ANY REPRESENTATION OR WARRANTY AS TO THE MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF WORKMANSHIP IN, THE CARS ALL OF WHICH ARE EXPRESSLY DISCLAIMED AND LESSOR SHALL NOT BE LIABLE, IN CONTRACT, TORT OR OTHERWISE, ON ACCOUNT OF ANY DEFECT, WHETHER HIDDEN, LATENT OR OTHERWISE DISCOVERABLE OR NONDISCOVERABLE RESPECTING ANY CAR.

4. Railroad Markings and Record Keeping

A. The parties hereto acknowledge that Automatic Equipment Identification Tags ("AEI Tags") have been placed on each Car by the manufacturer of the Cars, and Lessee may mark any Car with the name and/or other insignia used by Lessee. Other than as set forth above, Lessee shall not allow any other lettering or marking to be placed on a Car without the prior written consent of Lessor.

B. Lessee, at Lessee's expense, shall during the Term prepare and file all documents relating to the registration, maintenance and record keeping functions involving the Cars. Such documents shall include, but not be limited to, the following: (i) registration in the Official Railway Equipment Register and the Universal Machine Language Equipment Register ("UMLER"); and (ii) such reports as may be required from time to time by the U.S. Department of Transportation ("DOT"), Surface Transportation Board ("STB"), Association of American Railroads ("AAR") and/or other regulatory agencies. Lessee shall perform, and monitor the performance of, all record keeping functions related to the use of the Cars by Lessee and by other railroads in accordance with all codes, rules, decisions, interpretations, laws and orders governing the hire, use, condition, repair and all other matters pertaining to the interchange of freight traffic applicable to the Cars, adopted and in effect from time to time by the AAR, STB, DOT and any other organization, agency or governmental entity (the "Interchange Rules").

C. All record keeping performed by Lessee hereunder and all record of payments, charges and correspondence related to the Cars shall be separately recorded and maintained by Lessee in accordance with AAR railroad interchange agreements and rules such as car hire reconciliation and in a form suitable for reasonable inspection by Lessor from time to time during Lessee's regular business hours. Lessee shall provide Lessor with copies of all correspondence received from other railroads in connection with the Cars and such information regarding the use of the Cars by Lessee on railroad lines owned and operated by Lessee ("Lessee's Railroad") as Lessor may reasonably request.

5. Maintenance, Taxes and Insurance

A. Lessee acknowledges that Lessor, at Lessor's sole expense (including, without limitation, reclaims), shall be responsible for all servicing, repairs, maintenance, modifications, additions or replacements with respect to the Cars ("Repair Work") required to keep the Cars in good working order and condition and in compliance with all Interchange Rules, provided, however, that Lessee shall, at its sole expense, perform, or cause to be performed, all running repairs and all reclaims and maintenance required for any Car by reason of

Lessee's delay, intentional act or negligence. Lessor shall have no responsibility for major Repair Work until informed by Lessee of the need therefor. Lessor may require Lessee to return a Car to a location designated by Lessor, for preventative Repair Work and in such event Lessee agrees to move the Cars free of charge on Lessee's Railroad. Lessor may terminate this Agreement with respect to any Car which Lessor, in its sole discretion, deems uneconomical for Repair Work. Lessee shall provide Lessor with evidence of any maintenance and repair charges against a Car which have been received and paid by Lessee.

B. Lessee shall not make any alterations or additions to the Cars without Lessor's prior written consent. If Lessee makes an alteration or addition to any Car without Lessor's prior written consent, Lessee shall be liable to Lessor for any revenues lost, or any tax, cost or other expense incurred by Lessor, due to such alteration or addition. Title to any such alteration or addition shall be and remain with Lessor.

C. Lessee will, at all times while this Agreement is in effect, be responsible for any loss or damage with respect to the Cars, while on Lessee's Railroad. Lessee shall protect against the consequences of an event of loss involving any Cars by obtaining all-risk physical loss or damage insurance in an amount equal to the settlement value of the Cars pursuant to Rule 107 of the Field Manual of the Interchange Rules ("Rule 107"), or an amount equivalent thereto with respect to Cars on Lessee's Railroad (in each case, the "Settlement Value"), with exclusions and deductibles acceptable to Lessor. Lessee shall furnish Lessor with a certificate of insurance with respect to the insurance carried on the Cars signed by an independent insurance broker. All insurance shall provide that Lessor shall be named as sole loss payee. In the event damage beyond repair or destruction of a Car has been reported in accordance with Rule 107 and the Settlement Value due as a result thereof is received by Lessor said damaged or destroyed Car will be removed from the terms of this Agreement as of the date that the event of loss occurred. Lessee shall maintain and keep in effect public liability insurance, including contractual liability, insuring Lessor and Lessee against damages and claims for personal injury, death and property damage in an amount not less than \$25,000,000.00 per occurrence and shall name Lessor as additional insured during the Term of this Agreement. All such insurance shall be in form and amount and with companies satisfactory to Lessor. Each policy of insurance shall provide for 30 days prior written notice of cancellation or modification to Lessor. Lessee shall pay all premiums for such insurance and shall deliver to Lessor the policies of insurance or duplicates thereof, and such other evidence of coverage satisfactory to Lessor. Lessee hereby irrevocably appoints Lessor as Lessee's attorney-in-fact to make claim for, receive payment of, and execute and endorse all documents, checks or drafts received in payment for loss or

damage under any such insurance policies.

6. Car Hire Obligations.

A. The Cars will be car hire free while on Lessee's Railroad. During any period the Cars are used off Lessee's Railroad, Lessee will take any action necessary or appropriate to receive from other railroad companies a CHARM rate of \$___ per hour for per diem and \$___ per mile for mileage, in each case, per Car. Lessee shall have the right to negotiate any agreements with other railroad companies which contain CHARM rates equal to or greater than those referenced above. Lessee shall not, without Lessor's prior written consent, voluntarily elect to deprescribe any Car subject to this Agreement by designating any Car a "market rate car" pursuant to the rules and regulations of the STB, including, without limitation, the provisions of 49 CFR 1033.1(b)(3) or any successor provision thereto.

B. Lessee will, by the twentieth (20th) day of each month during the Term, telecopy to Lessor and Lessee's car hire agent, Railcar Management, Inc. ("RMI"), a list of all payments received from other railroad companies for their use or handling of the Cars during the previous calendar month, including but not limited to, car hire payments, mileage charges and Settlement Value, Rule 107 or other damage proceeds (hereinafter collectively referred to as "Car Payments"). All Car Payments received by Lessee will be held in trust for the benefit of Lessor. Upon receipt by RMI of such telecopy from Lessee, RMI will promptly prepare and deliver to Lessee and Lessor an owners' settlement statement on a cash basis (the "Settlement Statement") with respect to the Cars and Lessee shall immediately, upon receipt of the Settlement Statement but no later than the last day of the applicable month, send, without any abatement, reduction, diminution, setoff, defense, counterclaim or recoupment whatsoever, a check to Lessor for the amount indicated on the Settlement Statement as "due to owners" which will represent the Car Payments received less any authorized reclaims (hereinafter referred to as "Net Payments"). Lessor will retain all Net Payments except as set forth in paragraph C below.

C. On the last day of each calendar quarter during each calendar year of the Term Lessor shall remit to Lessee, only from Net Payments received, an amount ("X"), if a positive number, equal to:

[Intentionally Omitted]

If __, for any consecutive three (3) month period (computed in the same manner as if such period were the first calendar quarter of a calendar year) is less than \$_____, a shortfall (a "Shortfall") shall occur and the provisions of Section 9(A)

hereof shall apply.

7. Possession and Use

A. So long as Lessee shall not be in default under this Agreement, Lessor shall not interfere with Lessee's possession, use and quiet enjoyment of the Cars in accordance with the terms of this Agreement. Lessee shall use its best efforts to maximize the use of the Cars on lines other than Lessee's Railroad. Lessee agrees that to the extent it has physical possession and can control use of the Cars, the Cars will at all times be used and operated under and in compliance with the laws of the jurisdiction in which the same may be located and in compliance with all lawful acts, rules and regulations and orders of any governmental entities having power to regulate or supervise the use of such property (including, without limitation, the rules of DOT and the Interchange Rules) except that either Lessor or Lessee may in good faith and by appropriate proceedings contest the application of any such rule, regulation or order in any reasonable manner at the expense of the contesting party.

B. Lessee will not directly or indirectly create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or other security interest or claim on or with respect to the Cars or any interest therein or in this Agreement. Lessee will promptly, at its expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance, security interest or claim if the same shall arise at any time.

C. Lessee agrees that during the Term Lessee will not lease additional cars of the same type as the Cars if the addition of such cars causes or might cause a reduction in the utilization of the Cars. Lessee shall give preference to the Cars and shall load the Cars prior to loading other cars to the extent reasonably practicable, provided, however, that this agreement shall not prevent Lessee from fulfilling its immediate requirements to shippers on Lessee's Railroad or Lessee's preexisting contracts. Lessee shall use reasonable efforts to retain on Lessee's Railroad no more Cars than are necessary to fulfill its immediate requirements to provide transportation and facilities upon reasonable request therefor by shippers on Lessee's Railroad. The Cars shall not be used predominantly outside the United States and Lessee shall use its best efforts to keep the Cars within the continental limits of the United States.

8. Default and Remedies

A. The occurrence of any of the following events shall be an event of default:

(i) The nonpayment by Lessee of any sum required herein to be paid by Lessee within ten days after the date any such payment is due.

(ii) The breach by Lessee of any other term, covenant or condition of this Agreement, which is not cured within ten days after notice thereof from Lessor to Lessee.

(iii) The insolvency by Lessee, or the filing by Lessee of any petition or action under any bankruptcy, reorganization, insolvency or moratorium law, or any other law or laws for the relief of, or relating to, debtors.

(iv) The filing of any involuntary petition under any bankruptcy, reorganization, insolvency or moratorium law against Lessee that is consented to by Lessee or is not dismissed within thirty (30) days thereafter, or the appointment of any receiver or trustee to take possession of the properties of Lessee, unless such petition or appointment is set aside or withdrawn or ceases to be in effect within thirty (30) days from the date of said filing or appointment.

(v) Any representation made by Lessee herein or in any other instrument delivered by Lessee to Lessor shall prove to have been false or incorrect in any material respect on the date made.

B. Upon the occurrence of any event of default, Lessor may, at its option, terminate this Agreement and may:

(i) Proceed by any lawful means to enforce performance by Lessee of this Agreement or to recover damages for a breach thereof.

(ii) Terminate Lessee's rights of possession and use of the Cars, whereupon all rights and interests of Lessee in the Cars shall terminate and thereupon Lessor may, at its option, enter upon any premises where the Cars may be located and take possession of them and henceforth hold, possess and enjoy the same free from any right of Lessee, and Lessee shall be responsible for delivering the Cars to Lessor in accordance with the terms of Section 9(B) hereof.

Lessee shall be liable for all costs and expenses, including attorney's fees, incurred by Lessor by reason of the occurrence of any event of default, including all costs and expenses incurred in connection with the return of the Cars in accordance with Section 9(B) hereof or in placing the Cars in the condition required by said Section and costs and expenses, including reasonable attorney's fees, in securing the enforcement of this Agreement. Lessor shall have the right to recover from Lessee

any and all amounts which under the terms of this Agreement may then be due or which may have accrued to the date the Cars are returned or terminated, whichever is later.

No remedy referred to herein is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor at law or in equity; and the exercise or beginning of exercise by Lessor of any one or more of such remedies shall not constitute the exclusive election of such remedies and shall not preclude the simultaneous or later exercise by Lessor of any or all of such other remedies. No express or implied waiver by Lessor of any event of default shall in any way be, or be construed to be, a waiver of any future or subsequent event of default.

9. Termination; Return

A. During the term of this Agreement, if a Shortfall occurs Lessor may, at its option, and upon not less than 30 days prior written notice to Lessee, terminate this Agreement as to all or such part of the Cars as Lessor shall determine. Lessee may elect to pay Lessor all Shortfall (as determined pursuant to Section 6(C) hereof) then due to Lessor in which event this Agreement shall not be terminable in accordance with this subparagraph (A), provided, that such Shortfall is paid to Lessor prior to the giving of Lessor's termination notice to Lessee in accordance with the terms hereof.

B. At the expiration or termination of this Agreement as to any Cars, Lessee will, at the direction of Lessor, surrender possession of such Cars to Lessor by either (i) delivering the same to a location or locations upon Lessee's Railroad as determined by Lessor or (ii) use its best efforts to load such Cars with freight and deliver them to an interchange point on Lessee's Railroad for shipment. The Cars shall be in good order and repair, ordinary wear and tear from the proper use thereof excepted, suitable for movement in the interchange system in conformity with all applicable laws and regulations including the AAR Code of Rules and FRA Railroad Freight Car Safety Standards, free from all accumulations or deposits from commodities transported in any Car, and free and clear of any liens. If this Agreement is extended or renewed beyond the Initial Term, Lessee shall, at its expense, remove Lessee's AEI Tags and reprogram the AEI Tags to conform to any new railroad markings, and remark each Car when requested by Lessor. Lessee shall provide up to ninety (90) days free storage (the "Storage Term") on its railroad tracks for Lessor. The movement and storage of any Car during the Storage Term shall be at the expense and risk, including insurance, of Lessee. If any Cars remain on Lessee's Railroad beyond the Storage Term, Lessor shall pay for storage of such Car at a rate mutually acceptable to Lessor and Lessee. Until the Cars are returned to Lessor in the conditions set forth in this

Section 9(B), Lessee shall continue to be liable for all obligations of Lessee under this Agreement, including, without limitation, any Net Payments due hereunder.

10. Indemnities

Lessee hereby assumes liability for, and does hereby agree to indemnify, protect, save, defend, and hold harmless Lessor and RMI, and the agents of any of them, from and against any and all obligations, fees, liabilities, losses, damages, penalties, claims, demands, actions, suits, judgments, costs and expenses, including reasonable legal expenses, of every kind and nature whatsoever, imposed on, incurred by, or asserted against Lessor or RMI, relating to or arising out of this Agreement or the Cars, including, without limitation, any of such as may arise from (i) any and all loss or damage of or to the Cars, normal wear and tear from the proper use thereof excepted, (ii) loss or damage to any property or death or injury to any persons, (iii) defects in the Cars (whether or not discoverable by Lessee or Lessor), (iv) any claims based on absolute or strict liability in tort and (v) any claims based upon any non-compliance with or violation of any Federal, state or local environmental control, noise, pollution or hazardous substances laws, rules, regulations or requirements, except to the extent any of the foregoing matters described in (i) to (v) occur while Lessor has physical possession of the applicable Cars.

11. Representations, Warranties and Covenants

Lessee represents, warrants and covenants that:

(i) Lessee is a corporation duly organized, validly existing and in good standing under the laws of the state where it is organized and has the power and authority and is duly qualified and authorized to do business wherever necessary to carry out its present business and operations and to perform its obligations under this Agreement.

(ii) This Agreement has been duly authorized, executed and delivered by Lessee and constitutes Lessee's legal, valid and binding obligation, enforceable in accordance with its terms except as enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting the rights of creditors generally and general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(iii) The entering into and performance of this Agreement will not violate any judgment, order, law or regulation applicable to Lessee, or result in any breach of, or constitute a default under, or result in the creation of any

lien, charge or security interest or other encumbrance upon any assets of Lessee or on the Cars pursuant to any instrument to which Lessee is a party or by which it or its assets may be bound.

(iv) There is no action or proceeding pending or threatened against Lessee before any court or administrative agency or other governmental body which might result in any material adverse effect on the business, properties and assets, or conditions, financial or otherwise, of Lessee.

(v) There is no fact which Lessee has not disclosed to Lessor which will individually or in the aggregate materially adversely affect the business, condition or any material portion of the properties of Lessee or the ability of Lessee to perform its obligations under this Agreement.

(vi) There are no agreements or arrangements to which Lessee is a party limiting the amount of car hire charges otherwise payable with respect to the Cars under applicable STB and/or AAR car hire provisions.

Lessor represents, warrants and covenants that:

(i) Lessor is a corporation duly organized, validly existing and in good standing under the laws of the state where it is organized and has the power and authority and is duly qualified and authorized to do business wherever necessary to carry out its present business and operations and to perform its obligations under this Agreement.

(ii) This Agreement has been duly authorized, executed and delivered by Lessor and constitutes Lessor's legal, valid and binding obligation, enforceable in accordance with its terms except as enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting the rights of creditors generally and general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(iii) The entering into and performance of this Agreement will not violate any judgment, order, law or regulation applicable to Lessor, or result in any breach of, or constitute a default under, or result in the creation of any lien, charge or security interest or other encumbrance upon any assets of Lessor or on the Cars pursuant to any instrument to which Lessor is a party or by which it or its assets may be bound.

(iv) There is no action or proceeding pending or threatened against Lessor before any court or administrative agency or

other governmental body which might result in any material adverse effect on the business, properties and assets, or conditions, financial or otherwise, of Lessor.

12. Inspection

Lessor shall, upon notice to Lessee, at any time during normal business hours have the right to enter the premises where the Cars may be located for the purpose of inspecting and examining the Cars to insure Lessee's compliance with its obligations hereunder. Lessee shall immediately notify Lessor of any accident connected with the Cars. Lessee shall also notify Lessor in writing within five (5) days after any attachment, tax lien or other judicial process which shall attach to any Car. Lessee shall furnish to Lessor promptly upon its becoming available, a copy of the consolidated balance sheet of Lessee and its consolidated subsidiaries as of the end of the latest fiscal year, and related consolidated statements of income and retained earnings of Lessee and its consolidated subsidiaries for such fiscal year.

13. Miscellaneous

A. This Agreement and the Equipment Schedules contemplated hereby shall be binding upon and shall inure to the benefit of parties hereto and their respective successors and assigns, except that Lessee may not without the prior written consent of Lessor assign this Agreement or any of its rights, hereunder or sublease the Cars to any party, and any purported assignment or sublease in violation hereof shall be void. Lessor may, at any time, without notice to, or the consent of, Lessee sell, assign, transfer or grant a security interest in all or any part of Lessor's rights, obligations, title or interest in, to and under the Cars, this Agreement or any Equipment Schedule, provided, however, that so long as no Event of Default shall have occurred and be continuing, Lessor agrees that any such sale, assignment, transfer or grant of a security interest shall not interfere with Lessee's quiet enjoyment and use of any Car during the Term hereof.

B. Both parties agree to execute the documents contemplated by this transaction and such other documents as may be required in furtherance of any sale, assignment or financing agreement entered into by Lessor in connection with the Cars in order to confirm any third party's interest in and to the Cars, this Agreement or any Equipment Schedule.

C. It is expressly understood and agreed by the parties hereto that this Agreement constitutes a lease of the Cars only and no joint venture or partnership is being created. Nothing herein shall be construed as conveying to Lessee any right, title or interest in the Cars except as a lessee only. Lessee and

Lessor hereby acknowledge that this Lease is a "lease" for purposes of Section 1168 of the United States Bankruptcy Code of 1978, as amended. As security for its obligations hereunder, Lessee hereby assigns to Lessor, and grants a security interest in favor of Lessor in and to, all of Lessee's right, title, and interest in and to the Car Payments any and all proceeds from the use of the Cars by others, including car hire and mileage charges and proceeds of and recoveries from insurance, interline settlements for destruction, payments and compensation from taking or requisitioning authorities, or similar payments from other parties in respect of loss of or damage to any Car. So long as no event of default shall have occurred hereunder, Lessee shall be entitled, to the extent permitted by this Agreement, to collect, and receive, apply and use such amounts described above as set forth in this Agreement without regard to such assignment and security interest, but upon occurrence of such an event of default, Lessor shall be entitled to collect and receive such amounts described above and apply the same to the obligations of Lessee hereunder, and to exercise all rights and remedies of an assignee or a secured party with respect to such amounts.

D. This Agreement shall be governed by and construed according to the laws of the State of Georgia.

E. Lessor and Lessee agree that this Agreement shall be recorded with the STB, and Lessor may require Lessee to execute and file any other financing statements Lessor deems reasonable or necessary in connection with this Agreement, in each case, at the expense of Lessee. No term or provision of this Agreement may be amended, altered, waived, discharged or terminated orally, but may be amended, altered, waived, discharged or terminated only by an instrument in writing signed by a duly authorized officer of the party against which the enforcement of the amendment, alteration, waiver, discharge or termination is sought.

F. All notices hereunder shall be in writing and shall be deemed given when delivered personally or when deposited in the United States mail, postage prepaid, certified or registered, addressed as set forth below:

If to Lessor: Railcar, Ltd.
1819 Peachtree Road, N.E.
Suite 455
Atlanta, Georgia 30390
Attention: President

If to Lessee: Iowa Interstate Railroad, Ltd.
800 Webster Street
Iowa City, Iowa 52240
Attention: Directors, Customer Service

Either party hereto may change the address to which notice is to be mailed by written notice thereof to the other.

* * *

STATE OF Georgia)
COUNTY OF Fulton) §

On this _____ day of _____, 199_, before me personally appeared Wild SL Pierce to me personally known, who, being by me duly sworn, says that he is President of Railcar, Ltd., that said instrument was signed on behalf of said corporation and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Jay J. Hardin
Notary Public

My Commission Expires: Notary Public, Coweta County, Georgia
My Commission Expires March 30, 1999

[Notarial Seal]

STATE OF Iowa)
COUNTY OF Johnson) §

On this 16th day of May, 1997, before me personally appeared Robert C. Finley, to me personally known, who, being by me duly sworn says that he is Executive Vice-President of Iowa Interstate Railroad, Ltd., that said instrument was signed on behalf of said corporation by authority of its President and Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Paula A. Ingalls
Notary Public

My Commission Expires: 1999

[Notarial Seal]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

RAILCAR, LTD.

By: Willy F. Pinn
Title: President

IOWA INTERSTATE RAILROAD, LTD.

By: Samuel C. Henley
Title: Executive Vice-President

EQUIPMENT SCHEDULE

Iowa Interstate Railroad, Ltd. hereby leases from Railcar, Ltd., and Railcar, Ltd. hereby leases to Iowa Interstate Railroad, Ltd. the following railcars pursuant to that certain Lease Agreement dated May 16, 1997:

One hundred (100) Trinity Industries, Inc. 110 ton, 52'6" end gondola railcars (each individually a "Car"), with reporting marks IAIS30000 to IAIS30099, together with any and all accessions, additions and improvements from time to time incorporated or installed therein which are the property of Lessor pursuant to the terms of this Agreement.