



August 26, 1998

Janice Fort
Surface Transportation Board
Recordation Office
1925 K Street
Suite 70
Washington D.C. 20423

RECORDATION NO. 21604 FILED

AUG 28 '98

9-48 AM

Dear Janice,

Enclosed is an original plus 2 copies, all notarized. This is a Memorandum of Railcar Lease between The Cit Group/Equipment Financing Inc. and Iowa Interstate Railroad Company dated 8/19/98. Also, enclosed is a check made payable to: Surface Transportation Board.

After recording the document, please return the acknowledgment copy to my attention. I have enclosed a FED X air bill to return the results to me.

If you have any questions regarding the filing, please feel free to call me at 800-634-9738 ext. 20254.

Thank you for your prompt assistance.

Sincerely,

Rebecca Heisler
Administrator

enclosure

AUG 28 '98

9-48 AM

MEMORANDUM OF RAILCAR LEASE

THIS MEMORANDUM OF RAILCAR LEASE dated as of this 19th day of August, 1998 is made by Iowa Interstate Railroad Company, a Delaware corporation, with an address at 800 Webster Street, Iowa City, IA 52240 (the "Lessee"), and The CIT Group/Equipment Financing, Inc., a New York corporation, with an address at 1211 Avenue of the Americas, New York, New York 10036 (the "Lessor" and, together with the Lessee, the "Parties").

KNOW ALL PERSONS BY THESE PRESENTS THAT:

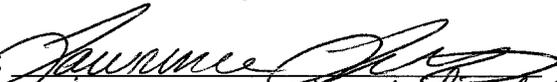
WHEREAS, the Lessor and the Lessee entered into that certain Master Railcar Lease (the "Lease") dated as of the date hereof covering the equipment listed on Schedule 01 hereto (the "Equipment");

WHEREAS, the Parties wish to show for the public record the existence of the aforesaid Lease, and the respective interests therein of the Parties and accordingly the Parties have caused this memorandum to be executed by their respective duly authorized officers, as of the date first above written.

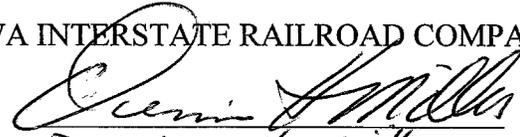
NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto, by this instrument the Lessor hereby leases and confirms the lease of the Equipment to the Lessee in accordance with the terms and conditions of the Lease, and the Lessee confirms and accepts such terms and conditions, which are incorporated by reference as if fully set forth herein.

IN WITNESS WHEREOF, the undersigned has caused this Document to be executed by a duly authorized officer as of the day and year first above written.

THE CIT GROUP/EQUIPMENT FINANCING, INC.,

By: 
Name: Lawrence B. Littlefield
Title: Vice President

IOWA INTERSTATE RAILROAD COMPANY,

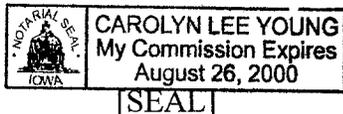
By: 
Name: Dennis H. Miller
Title: V.P. Customer Services

STATE OF Iowa)
) SS:
COUNTY OF Johnson)

On this 12 day of August, 1998 before me personally appears Lewis H. Miller, to me personally known, who by me duly sworn, says that he is the Vice President of IOWA INTERSTATE RAILROAD COMPANY (the "Company"), that the foregoing instrument was signed on behalf of the said Company by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of the said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Carolyn Lee Young
Notary Public



My Commission expires: 8-26-2000

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On this 19th day of August, 1998 before me personally appears Lawrence G. Littlefield, to me personally known, who by me duly sworn, says that he/she is the Vice-President of THE CIT GROUP/EQUIPMENT FINANCING, INC. (the "Company"), that the foregoing instrument was signed on behalf of the said Company by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of the said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Barbara Garner
Notary Public

[SEAL]

My Commission expires

BARBARA GARNER
Notary Public, State of New York
No. 01GA5065133
Qualified in Nassau County
Certificate Filed in New York County
Commission Expires Sept. 3, 1998

Schedule No. 01

Quantity

Equipment Description

Reporting Marks and Numbers

90

4750 c.f. covered hopper
railroad cars

See schedule A attached



SCHEDULE A

1	IAIS 4600	46	IAIS 4682
2	IAIS 4601	47	IAIS 4686
3	IAIS 4602	48	IAIS 4688
4	IAIS 4603	49	IAIS 4696
5	IAIS 4604	50	IAIS 4697
6	IAIS 4605	51	IAIS 4699
7	IAIS 4606	52	IAIS 4703
8	IAIS 4608	53	IAIS 4710
9	IAIS 4609	54	IAIS 4714
10	IAIS 4610	55	IAIS 4716
11	IAIS 4613	56	IAIS 4718
12	IAIS 4616	57	IAIS 4721
13	IAIS 4618	58	IAIS 4722
14	IAIS 4620	59	IAIS 4723
15	IAIS 4622	60	IAIS 4725
16	IAIS 4623	61	IAIS 4729
17	IAIS 4625	62	IAIS 4731
18	IAIS 4626	63	IAIS 4732
19	IAIS 4627	64	IAIS 4734
20	IAIS 4631	65	IAIS 4736
21	IAIS 4633	66	IAIS 4738
22	IAIS 4641	67	IAIS 4742
23	IAIS 4642	68	IAIS 4743
24	IAIS 4645	69	IAIS 4744
25	IAIS 4649	70	IAIS 4748
26	IAIS 4652	71	IAIS 4749
27	IAIS 4653	72	IAIS 4751
28	IAIS 4654	73	IAIS 4752
29	IAIS 4655	74	IAIS 4753
30	IAIS 4656	75	IAIS 4754
31	IAIS 4657	76	IAIS 4755
32	IAIS 4658	77	IAIS 4757
33	IAIS 4664	78	IAIS 4759
34	IAIS 4666	79	IAIS 4761
35	IAIS 4667	80	IAIS 4763
36	IAIS 4668	81	IAIS 4768
37	IAIS 4669	82	IAIS 4769
38	IAIS 4670	83	IAIS 4770
39	IAIS 4671	84	IAIS 4776
40	IAIS 4672	85	IAIS 4777
41	IAIS 4673	86	IAIS 4780
42	IAIS 4674	87	IAIS 4782
43	IAIS 4678	88	IAIS 4783
44	IAIS 4680	89	IAIS 4786
45	IAIS 4681	90	IAIS 4790

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21604

FACSIMILE TRANSMITTAL SHEET

Date: 9/4 Pages (including cover sheet) 2
 To: Janice Joet Firm: _____
 From: Rebecca Heuser LEXIS Document Services _____
 Phone #: _____ Fax # 202 565 9004
 SPECIAL INSTRUCTIONS Schedule A to Fil # 21604

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