

# FIRST UNION RAIL

One O'Hare Centre  
6250 River Road, Suite 5000  
Rosemont, IL 60018

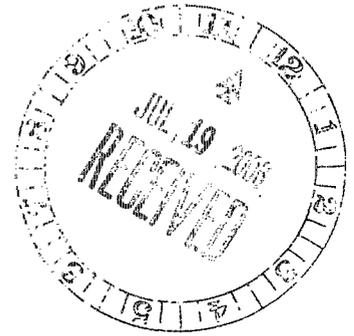
Tel 847.318.7575  
Fax 847.318.7588

RECORDATION NO. 24058C FILED

JUL 19 '06

3-57 PM

SURFACE TRANSPORTATION BOARD



VIA UPS 2<sup>nd</sup> DAY AIR

July 17, 2006

Mr. Vernon E. Williams  
Surface Transportation Board  
1925 K Street, N.W., Room 704  
Washington, DC 20423-0001  
Attn: Recordation of Railroad Equipment

**Re: Memorandum of Lease Agreement**

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) originals of a Memorandum of Lease Agreement, dated January 31, 2006, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Lease Agreement which was duly filed with the Commission under Recordation Number 24058.

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

Lessor: First Union Rail Corporation  
One O'Hare Center  
6250 River Road, Suite 5000  
Rosemont, IL 60018

Lessee: Penford Products Company  
1001 First Street, S.W.  
Cedar Rapids, IA 52404-2175

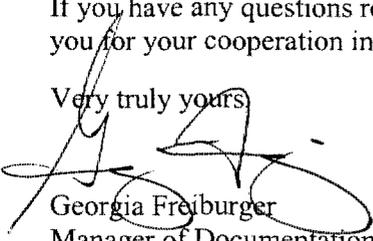
A description of the railroad equipment covered by the enclosed document is twenty (20) 5660 cu. ft. covered hopper cars, with FURX marks (see Exhibit A for car numbers).

A short summary of the document to appear in the index follows: Memorandum of Lease

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 one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions regarding the above-referenced matter, please contact me at (847) 384-5387. Thank you for your cooperation in this matter.

Very truly yours,

  
Georgia Freiburger  
Manager of Documentation

Enclosures

(PEPR004)

ASSGN. NO.: PEPR004

MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 31<sup>st</sup> day of January, 2006 by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Penford Products Company, a Delaware corporation.

**WITNESSETH:**

The undersigned Lessor and Lessee have entered into that certain Lease Agreement, dated as of July 12, 2002, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 4 to the Lease (the "Rider") as described in more particular on Exhibit A attached hereto, effective as of January 31, 2006, and subject to the terms, conditions and provisions of the above mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

**LESSOR:**

FIRST UNION RAIL CORPORATION

ATTEST:

By: Richard F. Seymour  
Name: RICHARD F. SEYMOUR  
Title: Vice President Sales & Marketing

By: Susan Grokulskey  
Name: SUSAN GROKULSKY  
Title: MGR OF DOCUMENTATION

Executed on this 31<sup>st</sup> day of January, 2006

[CORPORATE SEAL]

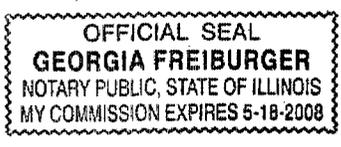
STATE OF ILLINOIS  
COUNTY OF COOK

I, GEORGIA FREIBURGER, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 31<sup>st</sup> day of January, 2006

[Signature]  
Notary Public

My Commission Expires:  
5-2008  
(Notary Public)



LESSEE:

PENFORD PRODUCTS COMPANY

ATTEST:

By: *Ray J. Homan*  
Name: *Ray J. Homan*  
Title: *Product Supply Mgr*

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Executed on this 26 day of JAN, '06.

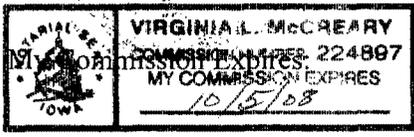
[CORPORATE SEAL]

STATE OF *Iowa*  
COUNTY OF *Linn*

I, *Virginia L. McCreary*, a Notary Public of the County and State aforesaid, certify that *Ray J. Homan* personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 26<sup>th</sup> day of January, 2006.

*Virginia L. McCreary*  
Notary Public



(Notary Public)

**EXHIBIT A**  
**to**  
**MEMORANDUM OF LEASE**

NUMBER OF CARS: Twenty (20)

DESCRIPTION OF CARS: 5660 cu. ft. 286 GRL, pressure differential  
Covered Hopper Cars equipped with Carboline 992 food grade  
linings, newly built by Trinity Industries.

CAR NUMBERS:

FURX 893520  
FURX 893521  
FURX 893522  
FURX 893523  
FURX 893524  
FURX 893525  
FURX 893526  
FURX 893527  
FURX 893528  
FURX 893529  
FURX 893530  
FURX 893531  
FURX 893532  
FURX 893533  
FURX 893534  
FURX 893535  
FURX 893536  
FURX 893537  
FURX 893538  
FURX 893539

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