



First Union Rail Corporation  
 NC5811  
 Commercial Leasing Group  
 One O'Hare Centre  
 6250 River Road, Suite 5000  
 Rosemont, IL 60018  
 Tel 847 318-7575  
 847 318-7588

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

November 1, 2002

RECORDATION NO. 24194 FILED

NOV 04 '02 12-12 PM

SURFACE TRANSPORTATION BOARD

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 two (2) originals and two (2) copies of a Memorandum of Lease Agreement, dated June 18, 2002, a primary document as defined in the Board's Rules for the Recordation of Documents. Please file this Memorandum of Lease as a primary document since a Master Lease has not been filed with the Surface Transportation Board. 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: Badger State Ethanol LLC  
 2443 Bethal Road  
 Monroe, WI 53566

A description of the railroad equipment covered by the enclosed document is twenty-five (25) 4750 cubic foot covered hopper cars, with FURX marks (See attached Exhibit for 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 \$30.00 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 or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5342. Thank you for your cooperation in this matter.

Very truly yours,

Amy Carone  
 Manager of Documentation

Enclosures

(BADS001)

ASSGN. NO.: BADS001

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 18th day of June, 2002, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Badger State Ethanol LLC ("Lessee"), a limited liability corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of June 3, 2002, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 1 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of September 2002, 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

By: K.A. Dombrowski

Name: RICHARD F. SEYMOUR

Name: K.A. DOMBROWSKI

Title: Vice President Sales & Marketing

Title: DIRECTOR OF DOCUMENTATION

Executed on this 18th day of June, 2002

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

I, SUSAN GROKULSKY, 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 18th day of June, 2002.

Susan Grokulsky  
Notary Public

My Commission Expires:

8-14-2004  
(Notary Public)



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SURFACE TRANSPORTATION BOARD

**LESSEE:**

BADGER STATE ETHANOL LLC

By: *Erik Huschitt*

Name: Erik Huschitt

Title: Commodity Manager

**ATTEST:**

By: *Wendy K. Ellingson*

Name: Wendy K. Ellingson

Title: Customer Service Rep

Executed on this 3 day of June, 2002

[CORPORATE SEAL]

STATE OF Wisconsin

COUNTY OF Green

I, *Wendy K. Ellingson*, a Notary Public of the County and State aforesaid, certify that *Erik Huschitt* 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 3 day of June, 2002

*Wendy K. Ellingson*  
Notary Public

Commission Expires:

05-01-05  
(Notary Public)

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

NUMBER OF CARS: Twenty-five (25)

DESCRIPTION OF CARS: 4,750 cubic foot covered hopper cars with gravity discharge gates, trough hatches and vibrator brackets

CAR NUMBERS:

FURX 463149  
FURX 821517  
FURX 822338  
FURX 824222  
FURX 824235  
FURX 826753  
FURX 826853  
FURX 827036  
FURX 827502  
FURX 827888  
FURX 829470  
FURX 829481  
FURX 829484  
FURX 829595  
FURX 829761  
FURX 829849  
FURX 829852  
FURX 830494  
FURX 830686  
FURX 832098  
FURX 832145  
FURX 832151  
FURX 832169  
FURX 832184  
FURX 832196