

ASSGN. NO.: IAIS011 / 014 / 018 / 21 / 023 / 025 / 026 / 030 MAY 17 '04 1-51 PM

MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 12th day of March, 2004, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Iowa Interstate Railroad ("Lessee"), an Iowa corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of August 21, 1998, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 3 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of March 12, 2004 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
Vice President Sales & Marketing
Title:

By: Georgia Freiburger
Name: GEORGIA FREIBURGER
Title: MGR. OF DOCUMENTATION

Executed on this 12th day of March, 2004.

[CORPORATE SEAL]

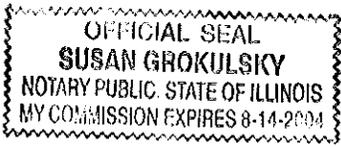
STATE OF ILLINOIS
COUNTY OF COOK

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 12th day of March, 2004.

Susan Grokulskey
Notary Public

My Commission Expires:
8-14-2004
(Notary Public)



LESSEE:

IOWA INTERSTATE RAILROAD

By:

Name: Dennis H. Miller

Title: Exec. Vice President

ATTEST:

By: _____

Name: _____

Title: _____

Executed on this _____ day of _____, _____.

[CORPORATE SEAL]

STATE OF Iowa

COUNTY OF Johnson

I, Carolyn Lee Young, a Notary Public of the County and State aforesaid, certify that Dennis H. Miller 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 March, 2004.

Carolyn Lee Young
Notary Public

Commission Expires:

8-26-06
(Notary Public)

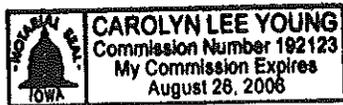


EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Up to twenty (20)

DESCRIPTION OF CARS: Plate "C" box cars with 10' sliding doors and rigid under-frames.

CAR NUMBERS:

NOKL	1992
NOKL	1993
NOKL	1994
NOKL	1998
NOKL	1999
NOKL	5802
NOKL	5803
NOKL	5804
NOKL	5805
NOKL	5806
NOKL	5809
NOKL	88221
NOKL	88222
NOKL	88224
NOKL	88225
NOKL	88226
NOKL	88228
NOKL	88229
NOKL	88230
NOKL	535070
Count:	20