

RECORDATION NO. 21646 ^E FILED

AUG 23 '04

4-43 PM

SURFACE TRANSPORTATION BOARD



FIRST UNION RAIL

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

Tel 847 318-7575
Fax 847 318-7588

VIA UPS NEXT DAY AIR

August 19, 2004

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 May 3, 2004, 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 21646.

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: Iowa Interstate Railroad
800 Webster Street
Iowa City, IA 52240

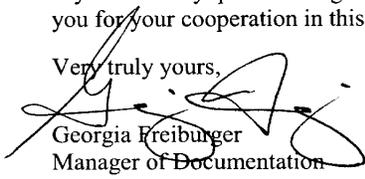
A description of the railroad equipment covered by the enclosed document is eleven (11) Plate "C" box cars, with NOKL marks (see Exhibit A for numbers).

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 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
(AIS013)

ASSGN. NO.: IAIS013

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 3rd day of May, 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. 5 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of May 18, 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

By: [Signature]

Name: RICHARD F. SEYMOUR

Name: K.A. Dombrowski

Title: Director of Sales & Marketing

Title: DIRECTOR OF DOCUMENTATION Executed on this 3rd day of May, 2004.

[CORPORATE SEAL]

RECORDATION NO. 21646^E FILED

AUG 23 '04

4-43 PM

STATE OF ILLINOIS

SURFACE TRANSPORTATION BOARD

COUNTY OF COOK

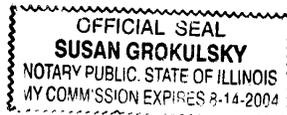
I, SUSAN GROKULSKY, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 3rd day of May, 2004.

Susan Grokulska
Notary Public

My Commission Expires:

8-14-2004
(Notary Public)



LESSEE:

IOWA INTERSTATE RAILROAD

By: *Dennis H. Miller*

Name: Dennis H. Miller

Title: 4-16-04
Exec. Vice President

ATTEST:

By: _____

Name: _____

Title: _____

Executed on this _____ day of _____, _____.

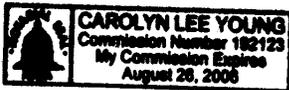
[CORPORATE SEAL]

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 16 day of April, 2004.



Carolyn Lee Young
Notary Public

Commission Expires:

8-26-06
(Notary Public)

EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Eleven (11)

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

CAR NUMBERS:

NOKL 5800
NOKL 88231
NOKL 88236
NOKL 88269
NOKL 535001
NOKL 535012
NOKL 535036
NOKL 535043
NOKL 535061
NOKL 535077
NOKL 535082
Count: 11