

RECORDATION NO. 21646-6 FILED

DEC 14 '06

1-43 PM

SURFACE TRANSPORTATION BOARD



FIRST UNION RAIL

One O'Hare Centre
6250 River Road, Suite 500
Rosemont, IL 60018-4214

VIA UPS NEXT DAY AIR

December 12, 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 two (2) originals and one (1) copy of a Memorandum of Lease Agreement, dated June 20, 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 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

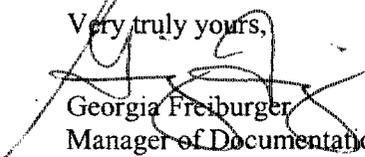
A description of the railroad equipment covered by the enclosed document is thirty-eight (38) 52'6" gondola cars, with IAIS marks (see Exhibit A for numbers).

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

Also enclosed is a check in the amount of \$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
(IAIS019)

DEC 14 '06

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ASSGN. NO. IAIS019

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 20th day of June, 2006, 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. 10 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of June 1, 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
Vice President Sales & Marketing

By: Susan Grokulska

Name: SUSAN GROKULSKY

Title: MGR. OF DOCUMENTATION Executed on this 20th day of June, 2006.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

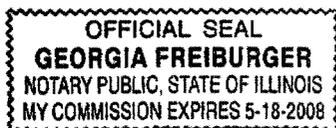
I, GEORGIA FREIBURGER, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 20th day of June, 2006.

Georgia Freiburger
Notary Public

My Commission Expires:

5-2008
(Notary Public)



LESSEE:

IOWA INTERSTATE RAILROAD

By: *Dennis H. Miller*

Name: *Dennis H. Miller*

Title: *President*

ATTEST:

By: _____

Name: _____

Title: _____

Executed on this _____ day of _____, 2006.

[CORPORATE SEAL]

STATE OF *Iowa*

COUNTY OF *Hinn*

I, *Cheri McFarland*, 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 *12* day of *June*, 2006.

Cheri McFarland
Notary Public

Commission Expires:

8-26-2006
(Notary Public)



EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Thirty-eight (38)

DESCRIPTION OF CARS: 52'6' gondola cars with 5' sides and 263/268 GRL

CAR NUMBERS:

IAIS	315103
IAIS	315106
IAIS	315108
IAIS	315113
IAIS	315115
IAIS	315118
IAIS	315131
IAIS	315133
IAIS	315137
IAIS	315138
IAIS	315139
IAIS	315141
IAIS	315250
IAIS	315255
IAIS	315259
IAIS	315261
IAIS	315265
IAIS	315266
IAIS	315268
IAIS	315269
IAIS	315270
IAIS	315281
IAIS	315287
IAIS	315311
IAIS	315318
IAIS	315327
IAIS	315333
IAIS	320515
IAIS	320516
IAIS	320517
IAIS	320518
IAIS	320521
IAIS	320522
IAIS	320525
IAIS	320537
IAIS	320544
IAIS	320545
IAIS	320551