

FILE SECOND**SECOND ASSIGNMENT OF INDENTURE OF MORTGAGE,
SECURITY AGREEMENT AND ASSIGNMENT OF LEASE**

KNOW ALL MEN BY THESE PRESENTS, that Iowa Interstate Railroad, Ltd., a Delaware corporation (the "Assignor"), in consideration of the sum of TEN DOLLARS (\$10.00) and other good and valuable consideration, the receipt whereof is hereby acknowledged, pursuant to a certain General Collateral Assignment (the "Agreement") of even date herewith has and does hereby sell, transfer, set over and assign to First Illinois Bank of Evanston, N.A. (the "Assignee") and its successors and assigns, all of the right, title and interest of the Assignor in and to (i) the Indenture of Mortgage, Security Agreement and Assignment of Lease (the "Original Mortgage") dated as of October 4, 1984 and recorded as set forth on Schedule I hereto executed by Heartland Rail Corporation, an Iowa corporation ("Heartland"), to the Iowa Interstate Railroad, Ltd., the Assignor, as amended by a First Supplement and Amendment to the Original Mortgage (the "First Supplement") among Heartland, the Assignor and Sanwa Business Credit Corporation ("Sanwa"), dated as of January 26, 1988 (the Original Mortgage as supplemented by the First Supplement is the "Mortgage"), and covering and being in respect of, among other rights and interests in the property, the premises described in Annex B to the Mortgage, together with all structures, track materials, rails, plates, spikes, ties, ballast, building material, building equipment, switching equipment, industrial siding, bridges, culverts, right-of-way fences, signal or communication equipment and fixtures of any kind and nature whatsoever now or hereafter located on said premises and all rents, issues, profits, proceeds and revenues thereof and (ii) that certain Lease Agreement (the "Lease") between Assignor and Heartland dated July 17, 1984, as amended as of August 9, 1984; October 10, 1984; September 30, 1985; and January 26, 1988 which Lease demises to the Assignor for a term of years the real estate described on Exhibit A hereto.

This Assignment is made for collateral purposes only to secure indebtedness of the Assignor to the Assignee in the amount of up to \$1,000,000. This Assignment is junior and subordinate to the prior interest of Sanwa, purchased by Sanwa from Citicorp North America, Inc., formerly known as Citicorp Industrial Credit, Inc. ("Citicorp"), pursuant to an Assignment by Citicorp to Sanwa of Citicorp's right, title and interest as mortgagee in the Mortgage, which assignment, together with the First Supplement and all other documents relating to Sanwa's prior interest, were delivered prior to this Assignment in the Mortgage and the Lease. The interest of the Assignee in the Mortgage and

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 MARY E. WELTY
 RECORDER
 MADISON COUNTY, IOWA
 Fee \$55.00

the Lease has been further limited and subordinated to that of Sanwa pursuant to a letter agreement dated January 26, 1988 between Assignee and Sanwa which letter agreement is incorporated herein by reference.

IN WITNESS WHEREOF, said Assignor, has caused this instrument to be signed by its President as of January 26, 1988.

IOWA INTERSTATE RAILROAD, LTD.

Attest:

Harold Kaplan
Name: Harold Kaplan
Title: Secretary

By: Paul H. Banner
Name: PAUL H. BANNER
Title: PRESIDENT

This Instrument was prepared by and when recorded please return to:

Rex A. Palmer
Mayer, Brown & Platt
190 South LaSalle Street
Chicago, Illinois 60603

Schedule I

A. Indenture of Mortgage, Security Agreement and Assignment of Lease, dated as of October 4, 1984, from Heartland Rail Corporation, was recorded and filed on October 11, 1984 as follows:

<u>Places Filed</u>	<u>Document</u>	<u>Document Number</u>	<u>Book/Page</u>
Cook County, Illinois	Mortgage Assignment	27289838 27289839	
Bureau County, Illinois	Mortgage Assignment	84-3495 84-3496	642/210 642/265
Henry County, Illinois	Mortgage Assignment	84-R-4998 84-R-4999	
Rock Island County, Iowa	Mortgage Assignment	84-15941 84-15942	
Scott County, Iowa	Mortgage Assignment	17605-84 17606-84	
Muscatine County, Iowa	Mortgage Assignment	1465 1466	167/533 167/588
Cedar County, Iowa	Mortgage Assignment	1927 1928	135/84 134/206
Johnson County, Iowa	Mortgage Assignment	33777 33778	733/156 733/211
Jasper County, Iowa	Mortgage Assignment	1735 1736	863/124 863/179
Polk County, Iowa	Mortgage Assignment	015737 015738	5393/424 5393/479
Marion County, Iowa	Mortgage Assignment	1116 1117	201/381 201/436

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PORTIONS OF THIS EXHIBIT DESCRIBING PROPERTY
LOCATED IN COUNTIES OTHER THAN THAT IN WHICH
THIS COUNTERPART IS BEING RECORDED HAVE BEEN
INTENTIONALLY OMITTED

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EXHIBIT A

Being a description of parcels of land and strips of land of varying widths constituting a continuous line of railroad property:

SECTION ONE

~~Blue Island Ward (Four Outfreight Yard Tracks)~~

Cook County, Illinois

~~The Point of Beginning being on a line 6.5 feet westerly of and parallel to the centerline of Grantor's former yard track #5 (local #47) and also being 6.5 feet easterly of Grantor's yard track #22 as presently laid out and located and on a line normal to Grantor's former main track #4 centerline located 735.6 feet northerly of the east/west centerline of Section 30, as measured along a line 50 feet westerly of and parallel to said main track #4 centerline; thence southwesterly from said Point of Beginning on a line 6.5 feet easterly of and parallel to the centerline of said yard track #22 to a line 71.5 feet westerly of and parallel to said main track #4 centerline; thence southerly along said line to a line 7.0 feet westerly of and parallel to the centerline of track #10; thence southerly along said line to a line normal to said track #10 centerline located at the southerly headblock of said track #10; thence southeasterly along said line to a line 6.5 feet westerly of and parallel to the centerline of Grantor's former yard track #5 (local #47); thence northerly along said line approximately 6,000 feet to said line 735.6 feet northerly of said east/west centerline; thence westerly along the last line intersected to the Point of Beginning; Also granting to the Grantee that nonexclusive easement easterly of said line 6.5 feet westerly of and parallel to said yard track #5 (local #47) centerline reserved to the Chicago, Rock Island and Pacific Railroad Company, Debtor, Grantor's predecessor in interest, by the Regional Transportation Authority in its condemnation in the United States District Court for the Northern District~~

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~~Marion County, Iowa~~

~~Thence southeasterly through Sections 6, 3, 8, 9, 16, 15, 22, 23, 26, 25 and 36, Township 77 North, Range 19 West of the 5th P.M.; thence southeasterly through Section 31, Township 77 North, Range 18 West of the 5th P.M.; thence southeasterly through Sections 6, 5, 4, 3, 10 and 11 to a termination at the east/west centerline of said Section 11 (E.P.S. 6056+50 ±, M.P. 14.50), Township 76 North, Range 18 West of the 5th P.M.~~

SECTION FIVE

W. Des Moines to Council Bluffs

Polk County, Iowa

Beginning at the intersection of the centerline of the Grantor's main track and a line normal to said track centerline located 362 feet westerly of the north/south centerline of Section 21, Township 78 North, Range 25 West of the 5th P.M., as measured along said track centerline, (E.P.S. 19272+47, M.P. 365); thence westerly along said track centerline through Sections 21, 28, 29 and 30, Township 78 North, Range 25 West of the 5th P.M.

Dallas and Madison Counties, Iowa

Thence westerly through Sections 25, 26, 27, 28, 29 and 30, Township 78 North, Range 26 West of the 5th P.M., Dallas County; thence westerly through Sections 25, 26, 27, 22, 21, 20, 29 and 30, Township 78 North, Range 27 West of the 5th P.M., Dallas County; thence southerly through Sections 25 and 36, Township 78 North, Range 28 West of the 5th P.M., Dallas County; thence westerly through Sections 1, 2, 3, 4, 5 and 6 (Excluding all that part of the Southwest Quarter of said Section 4 lying southerly of a line fifty feet southerly of and parallel to said main track centerline), Township 77 North, Range 28 West of the 5th P.M., Madison County; thence westerly through Sections 1, 2, 3 and 4, Township 77 North, Range 29 West of the 5th P.M., Madison County; thence westerly through Sections 33, 32 and 31, Township 78 North, Range 29 West of the 5th P.M., Dallas County.

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Guthrie and Adair Counties, Iowa

Thence westerly through Sections 36 and 35, Township 78 North, Range 30 West of the 5th P.M., Guthrie County; thence westerly through Sections 2, 3, 4 and 5, Township 77 North, Range 30 West of the 5th P.M., Adair County; thence westerly through Sections 32 and 31, Township 78 North, Range 30 West of the 5th P.M., Guthrie County; thence westerly through Sections 36, 25, 26, 27, 28, 29 and 30 (Excluding that part of said Section 28 lying northerly of a line fifty feet northerly of and parallel to said main track centerline), Township 78 North, Range 31 West of the 5th P.M., Guthrie County; thence westerly through Sections 25, 36, 35, 34, 33, 32, 29 and 31, Township 78 North, Range 32 West of the 5th P.M., Guthrie County; thence westerly through Sections 36, 35 and 34, Township 78 North, Range 33 West of the 5th P.M., Guthrie County; thence westerly through Sections 3, 4, 9, 8, 7 and 18, Township 77 North, Range 33 West of the 5th P.M., Adair County;

Reserving to the Grantor all portions of Grantor's right-of-way in said Counties not currently necessary and useful for railroad operations by reason of line changes or re-alignments.

Cass County, Iowa

Thence westerly through Sections 13, 14, 23, 22, 21, 28, 29, 30 and 31, Township 77 North, Range 34 West of the 5th P.M.; thence westerly through Sections 36 and 35, Township 77 North, Range 35 West of the 5th P.M.; thence westerly through Sections 2, 3, 4, 9, 8 and 7, Township 76 North, Range 35 West of the 5th P.M.; thence westerly through Sections 12, 11, 2, 3, 4, 5 and 6, (Excluding that part of the Southeast Quarter of said Section 6 lying southerly of a line normal to Grantor's former Atlantic to Griswold branch line main track centerline located approximately 1,075 feet southwesterly of the East line of said Section 6, as measured along said track centerline; Excluding that part of the Northwest Quarter of said Section 6 lying northerly of a line one hundred feet northerly of and parallel to the

centerline of said main line track), Township 76 North, Range 36 West of the 5th P.M.; thence westerly through Sections 1, 2, 3, 4, 5 and 6, Township 76 North, Range 37 West of the 5th P.M.

Pottawattamie County, Iowa

Thence continuing westerly through Sections 1, 2, 3, 4, 5 and 6, Township 76 North, Range 38 West of the 5th P.M.; thence continuing westerly through Sections 1, 12, 11, 10, 9, 16, 17 and 18, Township 76 North, Range 39 West of the 5th P.M.; thence westerly through Sections 13, 14, 23, 22, 21, 20 and 19, Township 76 North, Range 40 West of the 5th P.M.; thence westerly through Sections 24, 13, 14, 23, 22, 21, 20 and 19, Township 76 North, Range 41 West of the 5th P.M.; thence westerly through Sections 24, 23, 26, 27 and 34 to a termination at a line normal to said centerline located 117.3 feet southerly of the North line of said Section 34, as measured along said track centerline, (E.P.S. 25082+08.8, M.P. 475.02), Township 76 North, Range 42 West of the 5th P.M.

ALSO: Beginning at the intersection of the centerline of the Grantor's main track and a line normal to said track centerline located one hundred feet northerly of the east/west centerline of Section 5, as measured along said centerline, (E.P.S. 25679+15.7, M.P. 486.34), Township 74 North, Range 43 West of the 5th P.M.; thence generally westerly through Sections 5, 6 and 7, Township 74 North, Range 43 West of the 5th P.M.; thence northwesterly through Section 1, Township 74 North, Range 44 West of the 5th P.M.; thence northwesterly through Sections 36 and 35 to a termination at the north/south centerline of said Section 35, (E.P.S. 26412+90), Township 75 North, Range 44 West of the 5th P.M.

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ALSO: All of Grantor's tracks and appurtenances as presently laid out and located within the East Half of the Southwest Quarter of Section 35, being Grantor's two main line tracks and spur tracks 23 and 24, Township 75 North, Range 44 West of the 5th P.M.

ALSO: All of Grantor's interest in his "Joint Riverline" which extends from E.P.S. 26403+40 =0+36 H.B. located in the Southeast Quarter of Section 35; thence northerly and westerly through Sections 35, 34 and 33 to a termination at E.O.T. 151+67.5 located in the Northwest Quarter of the Northeast Quarter of said Section 33, Township 75 North, Range 44 West of the 5th P.M.

SECTION SIX

Audubon to Atlantic

Audubon County, Iowa

Beginning at the intersection of the centerline of the Grantor's branch line main track and a line normal to said centerline located 112.5 feet northerly of the east/west centerline of Section 20, as measured along said track centerline, Township 80 North, Range 35 West of the 5th P.M.; thence southerly along said track centerline through Sections 20, 21, 28, 33 and 34, Township 80 North, Range 35 West of the 5th P.M.; thence southerly through Sections 3, 10, 15, 22, 27, 34 and 35, Township 79 North, Range 35 West of the 5th P.M.; thence southerly through Lot 1 of that un-named Fractional Section northerly of Section 5, and through Lot 4, Lot 5 and Lot 12 of that un-named Fractional Section north of Section 4, and southerly through Sections 4, 5, 8, 17, 18 and 19, Township 78 North, Range 35 West of the 5th P.M.; thence southerly through Sections 24, 25 and 36, Township 78 North, Range 36 West of the 5th P.M.

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DALLAS COUNTY, IOWA

DeSoto

Parcel 27: All of Grantor's interest in the East Half of the Northwest Quarter of Section 30 lying northerly of a line fifty feet northerly of and parallel to the centerline of Grantor's main track; Township 78 North, Range 27 West of the Fifth Principal Meridian.

Parcel 28: All of Grantor's interest in the East Half of the Northwest Quarter of Section 30 lying southerly of a line fifty feet southerly of and parallel to the centerline of Grantor's main track; Township 78 North, Range 27 West of the Fifth Principal Meridian.

MADISON COUNTY, IOWA

Earlham

Parcel 29: The Point of Beginning being on the west line of Section 6 and on a line twenty feet southerly of and parallel to the centerline of Grantor's main track; thence southeasterly along said line southerly of said main track centerline to the westerly line of Chestnut Street extended northerly; thence southerly along said street line to a line fifty feet southerly of and parallel to said main track centerline; thence northwesterly along the last line intersected to a line fifty-three feet easterly of and parallel to the easterly line of Locust Street; thence southerly along the last line intersected approximately one hundred fifty feet to the northerly line of Lot 11, Block 16; thence westerly along said lot line to said easterly line of Locust Street; thence northerly along said street line to a line one hundred fifty feet southerly of and parallel to said main track centerline; thence westerly along the last line intersected to the westerly line of Locust Street; thence northerly along said street line to said line fifty feet southerly of said track centerline; thence westerly along the last line intersected to said west line of Section 6; thence northerly along said west line to the Point of Beginning; all in the Southwest Quarter of the Southwest Quarter of Section 6, Township 77 North, Range 28 West of the Fifth Principal Meridian.

Parcel 30: All of Grantor's interest in the South Half of the Southeast Quarter of the Southwest Quarter lying northerly of a line twenty-five feet northerly of and parallel to the centerline of Grantor's main track, lying easterly of the easterly line of Sycamore Street and westerly of the westerly line of Maple Street; Township 77 North, Range 28 West of the Fifth Principal Meridian.

DALLAS COUNTY, IOWA

Dexter

Parcel 31: All of Grantor's interest in the Northeast Quarter of Section 31 lying southerly of a line twenty-five feet southerly of and parallel to the centerline of Grantor's main track, lying easterly of the westerly line of Clark Street extended southerly and lying westerly of the westerly line of Lyon Street, extended southerly; Township 78 North, Range 29 West of the Fifth Principal Meridian.

Parcel 32: All of Grantor's interest in the East Half of the East Half of the Northeast Quarter of Section 31 lying northerly of a line twenty-five feet northerly of and parallel to the centerline of Grantor's main track, lying westerly of the westerly line of Warren