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December 1, 1999

RECORDATION NO. 22567, A FILED

DEC 1 '99 3-00PM

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

Dear Secretary Williams:

I have enclosed the original and one certified copy of each of the two documents described below, to be recorded pursuant to 49 U.S.C. § 11301.

The first document is a Memorandum of Lease Agreement, a primary document, dated as of November 30, 1999. We request that this document be given the next available Recordation Number.

The names and addresses of the parties to the Memorandum of Lease Agreement are:

Lessor:

Banc One Leasing Corporation
1111 Polaris Parkway, Suite A3
Columbus, OH 43065

Lessee:

Nebraska, Kansas & Colorado RailNet, Inc.
2350 Airport Freeway, Suite 230
Bedford, TX 76022

A description of the equipment covered by the Memorandum of Lease Agreement consists of three locomotives, consisting of one GP-30 numbered NKCR 5003 (formerly numbered OHCR 558), one CF-7 numbered IR5 (formerly numbered WCRC 401), and one GP-20 numbered MT 5002 (formerly numbered NRE 970).

#1056

RECORDATION NO. 22567-A FILED

DEC 1 '99 3-00PM

EQUIPMENT SUBLEASE AGREEMENT

THIS EQUIPMENT SUBLEASE AGREEMENT is made as of the 30th day of November, 1999, by and between NEBRASKA, KANSAS & COLORADO RAILNET, INC. (hereinafter referred to as "Lessee") and ILLINOIS RAILNET, INC. (hereinafter referred to as "Sublessee").

Pursuant to the Lease (as defined below), BANC ONE LEASING CORPORATION (hereinafter referred to as "Lessor") leased to Lessee certain equipment described in the Lease (hereinafter the "leased equipment"). "Lease" shall mean, collectively, Lease Schedule No. 10009826 together with the Master Lease Agreement dated as of November 30, 1999 to the extent that it relates to said Lease Schedule No. 10009826, all of which are between Lessor and Lessee.

Lessee and Sublessee desire to enter into a sublease of all or a part of the leased equipment to Sublessee.

NOW, THEREFORE, in consideration of the sum of Ten Dollars ($10.00) in hand paid, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the mutual covenants, terms and conditions hereinafter contained, the parties hereby agree as follows:

1. Lessee hereby agrees to sublease to Sublessee, and Sublessee hereby agrees to sublease from Lessee, those certain items of leased equipment, together with all components, parts, additions, accessions and attachments incorporated therein, now or hereafter leased to Lessee pursuant to the Lease and specified in a Specification of Equipment for Sublease (all such property hereinafter collectively referred to as the "Equipment"), on the terms and conditions set forth in the Lease.

2. Sublessee agrees that it shall be bound by each and every covenant, term and condition contained in the Lease, except that Sublessee shall not be bound by paragraphs 17 and 18 of the above-described Master Lease Agreement, and that it shall perform promptly as and when due all said covenants, terms and conditions. The term of this Sublease and the rental to be paid hereunder shall be the term of the Lease, and the rental required to be paid under the Lease, with respect to the Equipment. Payments under this Sublease shall be made to Lessee at the address specified pursuant to Section 6 hereof. Upon expiration of the term of this Sublease, the Equipment shall be returned to Lessee (or, if directed by Lessee, to Lessor) in accordance with the provisions of the Lease.

3. Sublessee further agrees that: (a) Sublessee waives, and agrees that it will not assert against Lessor, or any successor or assignee of Lessor, any defense, set-off, recoupment, claim or counterclaim which Sublessee may at any time have against Lessee for any reason whatsoever; (b) Lessor shall have no obligation to perform any of the duties of Lessee under this Sublease Agreement, including (but not limited to) payment of any taxes or other sums, furnishing of maintenance, repairs, replacements, service or insurance; and (c) Sublessee shall not sell, assign or further sublease any of its rights in and to the Equipment or under this Sublease Agreement.

4. Sublessee represents and warrants that: (a) Sublessee is a corporation duly organized and validly existing in good standing under the laws of the state of its incorporation. (b) The execution, delivery and performance of this Sublease Agreement: (1) have been duly authorized by all necessary corporate action on the part of Sublessee; (2) do not require the approval of any stockholders, trustee or holder of any obligations of Sublessee except such as have been duly obtained; and (3) do not and will not contravene any law, governmental rule, regulation or order now binding or result in the creation of any lien or encumbrance upon the property of Sublessee under, any indenture, mortgage, contract or other agreement to which Sublessee is a party or by which it or its property is bound. (c) This sublease Agreement constitutes the legal, valid and binding obligation of Sublessee enforceable against Sublessee in accordance with the terms hereof. (d) There are no pending actions or proceedings to which Sublessee is a party, and there are no other pending or threatened actions or proceedings of which Sublessee has knowledge, before any court, arbitrator or administrative agency, which either individually or in the aggregate, would materially adversely affect the financial condition of Sublessee, or the ability of Sublessee to perform its obligations hereunder. Further, Sublessee is not in default under any obligation for the payment of

borrowed money, for the deferred purchase price of property or for the payment of any rent which, either individually or in the aggregate, would have the same such effect. (e) Sublessee is an equipment user and not a broker or seller of equipment.

5. Sublessee agrees that Lessor may rely upon the truth and accuracy of all representations and warranties made to Lessee by Sublessee in this Sublease Agreement to the same extent and effect as if such representations and warranties had been made directly to and for the benefit of Lessor.

6. Upon the occurrence of any event of default as described in the Lease (a "Default") by Sublessee under this Sublease Agreement, Lessee shall have all rights and remedies available to the Lessor in the Lease (excluding, however, the right to sell, lease or otherwise dispose of the Equipment).

7. Lessee further agrees that neither the sublease of the Equipment nor anything in the Sublease Agreement shall relieve Lessee of its obligations to Lessor under the Lease and it shall remain primarily liable thereunder, and Lessor shall not be required to (a) proceed against Sublessee; (b) proceed against or exhaust any security held from Sublessee; or (c) pursue any other remedy in Lessor's power whatsoever; before proceeding against Lessee. Furthermore, Lessee acknowledges and agrees that a separate action or actions may be brought and prosecuted against Lessee whether an action is brought against Sublessee or whether Sublessee be joined in any such action or actions.

8. The parties agree that this Sublease Agreement is expressly subject and subordinate to the Lease and the rights of Lessor under the Lease and that, upon the declaration by Lessor of a Default under the Lease and written notice thereof to the parties by Lessor, at the sole discretion of Lessor as specified in such notice: (a) Sublessee shall make all payments then due or thereafter becoming due under this Sublease Agreement directly to Lessor; and/or (b) this Sublease Agreement shall be terminated and Lessor shall have all rights and remedies specified in the Lease.

9. All notices and other communications hereunder shall be in writing, personally delivered, delivered by overnight courier service, sent by facsimile transmission (with confirmation of receipt), or sent by certified mail, return receipt requested, addressed to the other party at its respective address stated below the signature of such party or at such other addresses such party shall from time to time designate in writing to the other party; and shall be effective from the date of receipt.

10. (a) Subject to the provisions of the Consent Agreement (as defined below), this Sublease Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and shall not be amended or altered in any manner except by a document in writing executed by both parties. This Sublease Agreement may not be amended, and no waiver of any of the provisions hereof shall be effective, without the prior written consent of Lessor. "Consent Agreement" means the Sublease Consent and Subordination Agreement executed and delivered by Lessee and Sublessee to Lessor in connection with this Sublease Agreement. In the event of any conflict between the provisions of this Sublease Agreement and the Consent Agreement, the provisions of the Consent Agreement shall control.

(b) Any provision of this Sublease Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceable such provision in any other jurisdiction.

(c) Sublessee hereby waives trial by jury in any action or proceeding to which Sublessee and/or Lessee may be parties arising out of or in any way pertaining to this Sublease Agreement. It is hereby agreed and understood that this waiver constitutes a waiver of trial by jury of all claims against all parties to such actions or proceedings, including claims against parties who are not parties to this Sublease Agreement. This waiver is knowingly, willingly and voluntarily made by Sublessee, and Lessee and Sublessee hereby acknowledge that no representations of fact or opinion have been made by any individual to induce this waiver of trial by jury or in any way to modify or nullify its effect.

(d) This Sublease Agreement shall not be effective unless and until accepted by execution by an officer of Lessor. THIS SUBLEASE AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF TEXAS (WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES OF EACH STATE), INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, REGARDLESS OF THE LOCATION OF THE EQUIPMENT. The parties agree that any action or Proceeding arising out of or relating to this Sublease Agreement may be commenced in any state or Federal court of competent jurisdiction in Tarrant County, Texas and each party agrees that a summons and complaint commencing an action or proceeding in any such court shall be properly served and shall confer personal jurisdiction if served personally or by certified mail to it at its address designated pursuant hereto, or as otherwise provided under the laws of the State of Texas.

IN WITNESS WHEREOF, the parties have caused this Equipment Sublease Agreement to be duly executed as of the day and year first above written.

NEBRASKA, KANSAS & COLORADO RAILNET, INC
2350 Airport Freeway # 300
Bedford, TX 76022
Lessee

By: _____
ROBERT F. McKENNEY
CHAIRMAN & CEO

ILLINOIS RAILNET, INC
2350 Airport Freeway # 300
Bedford, TX 76022
Sublessee

By: _____
ROBERT F. McKENNEY
CHAIRMAN & CEO

THIS EQUIPMENT SUBLEASE AGREEMENT IS ACCEPTED BY LESSOR.

BANC ONE LEASING CORPORATION
1111 Polaris Parkway
Columbus, Ohio 43240
Lessor

By: _____

Nebraska, Kansas & Colorado RailNet, Inc. ("Lessee") hereby assigns to Banc One Leasing Corporation all right, title and interest of Lessee in the foregoing Equipment Sublease Agreement and all rents and issues therefrom, as security for the performance by Lessee of its obligations pursuant to the Master Lease Agreement dated as of November 30, 1999 and its Lease Schedule No. 100009826

Manual execution hereunder acknowledges this to be the original executed Equipment Sublease Agreement, and that all other copies are counterparts.

NEBRASKA, KANSAS & COLORADO RAILNET, INC.
Lessee

By: _____
ROBERT F. McKENNEY
CHAIRMAN & CEO

BANC ONE LEASING CORPORATION

SPECIFICATION OF EQUIPMENT FOR SUBLEASE

Pursuant to Equipment
Sublease Agreement

Dated as of November 30, 1999

All Equipment as described on the Schedule A-1 of Lease Schedule No. 100809626 attached hereto

NEBRASKA, KANSAS & COLORADO RAILNET, INC
Lessee

By_____

ROBERT F. McKENNEY
CHAIRMAN & CEO

ILLINOIS RAILNET, INC.
Sublessee

By:_____

ROBERT F. McKENNEY
CHAIRMAN & CEO

Banc One Leasing Corporation

SCHEDULE A-1 EQUIPMENT LEASED HEREUNDER

QUANTITY	DESCRIPTION
	LOCATION; 2350 AIRPORT FREEWAY SUITE 300 BEDFORD, TX 76022
	COUNTY: TARRANT
	EQUIPMENT COST:
1	CF7 LOCOMOTIVE #IR5
1	GP30 LOCOMOTIVE - NKCR 5003
1	GP20 LOCOMOTIVE - MT 5002

TOGETHER WITH ALL ATTACHMENTS, ADDITIONS, ACCESSIONS, PARTS, REPAIRS, IMPROVEMENTS, REPLACEMENTS AND SUBSTITUTIONS THERETO.

This Schedule A-1 is attached to and made a part of Lease Number 1000099626 and constitutes a true and accurate description of the equipment.

Lessee: NEBRASKA, KANSAS & COLORADO RAILNET, INC.

By: _____

Date: November 30, 1999

scheda-1.057

State of)
) ss.
County of)

On this __ day of December, 1999, before me personally appeared _____, to me personally known, who, being by me duly sworn, says that (s)he is _____ of Banc One Leasing Corporation, and that (s)he is duly authorized to sign the foregoing instrument on behalf of Banc One Leasing Corporation, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of Banc One Leasing Corporation.

_____
Notary Public

My commission expires:

State of)
) ss.
County of)

On this 30th day of ~~December~~ November, 1999, before me personally appeared Robert F McKenney, to me personally known, who, being by me duly sworn, says that (s)he is CEO of Nebraska, Kansas & Colorado RailNet, Inc., and that (s)he is duly authorized to sign the foregoing instrument on behalf of Nebraska, Kansas & Colorado RailNet, Inc., and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of Nebraska, Kansas & Colorado RailNet, Inc.

Michelle L. McElwee
Notary Public

My commission expires:

MICHELLE L. McELWEE
MY COMMISSION EXPIRES
September 10, 2003

CERTIFICATION

I, Louis E. Gitomer, have compared this copy to the original Equipment Sublease Agreement dated as of November 30, 1999, and found the copy to be complete and identical in all respects to the original document. I declare under penalty of perjury that the foregoing is true and correct.

Louis E. Gitomer
December 1, 1999