

OCT 18 '99

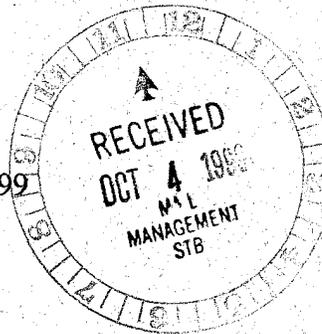
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Law Offices of
Loritz & Associates
 1100 Ravinia Place • Orland Park, IL 60462

Richard F. Loritz

Of Counsel:
 David Dineff
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September 29, 1999



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Office of the Secretary
 Surface Transportation Board - Room 704
 Washington, D.C. 20423-0001

Attention: Janice Fort

RE: Lease of Locomotive Equipment
 National Railway Equipment Co., Lessor
 Gateway Western Railway Company, Lessee

Dear Secretary:

I have enclosed an original and one copy of the document described below to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a lease of locomotive equipment and is a primary document dated April 13, 1999. The names and addresses of the parties to the documents are as follows:

Lessor: National Railway Equipment Co.
 14400 So. Robey
 P.O. Box 2270
 Dixmoor, IL 60426

Lessee: Gateway Western Railway Company

A description of the equipment covered by the document follows:

<u>Unit No.</u>	<u>Type</u>	<u>General Description</u>
869	EMD	SD-40 w/o dynamic braking
872	EMD	SD-40 w/o dynamic braking

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Secretary of State
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A fee of \$26.00 is enclosed. Please return the original after recordation to:

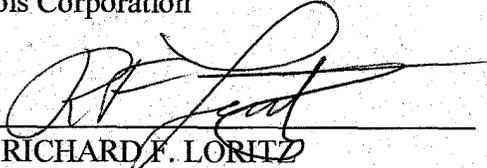
Richard F. Loritz
1100 Ravinia Place
Orland Park, IL 60462

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

A lease of locomotive equipment identified as locomotives, type EMD, SD-40 Locomotives, without dynamic braking, bearing reporting marks: #869 and #872, with National Railway Equipment Co., as Lessor, and Gateway Western Railway Company, as Lessee.

Very truly yours,

NATIONAL RAILWAY EQUIPMENT CO.
an Illinois Corporation

BY: 

RICHARD F. LORITZ

ITS: Attorney and Agent in Fact

RFL/lid
Enclosures

RECORDATION NO. 22971 FILED

OCT 18 '99

3-00 PM

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT is made and entered into as of April 13th, 1999, by and between NATIONAL RAILWAY EQUIPMENT COMPANY ("Lessor"), and the Gateway Western Railway Company ("Lessee"), with reference to the following:

1. Lessor has agreed to lease to Lessee, and Lessee has agreed to lease from Lessor, Locomotive model(s) described as EMD SD-40 Locomotive(s) bearing reporting mark(s): # 869 and # 872.

Each locomotive is fully-described in a certain Lease Agreement dated as of April 13, 1999 (together with all of the riders, schedules and other attachments thereto, collectively, the "Lease"), each between Lessor and Lessee. A Schedule of the equipment is attached hereto.

2. The Lease shall be effective as of the date hereof and shall be subject to the term specified in the Lease, and any extension of such term to the extent provided for in the Lease.

The Memorandum of Lease Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one Memorandum of Lease Agreement.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Lease Agreement to be executed as of the date first above written.

LESSEE:

GATEWAY WESTERN RAILWAY COMPANY

By: *D.H. Gill*

Name: *D.H. Gill*

Title: *President & GM*

LESSOR:

NATIONAL RAILWAY EQUIPMENT COMPANY

By: *L.J. Beal*

Name: *Lawrence J. Beal*

Title: *President*

STATE OF _____)
) SS.
COUNTY OF _____)

On this _____ day of _____, 1999, before me appeared _____, the person who signed this instrument who acknowledged that (s)he is the _____ of _____ and that, being duly authorized, (s)he signed such instrument as a free act on behalf of said corporation.

Notary Public

[Seal]

My Commission Expires:

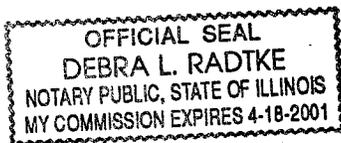
STATE OF ILLINOIS)
) SS.
COUNTY OF ~~COOK~~ Will)

On this 13th day of April, 1999, before me appeared _____, the person who signed this instrument who acknowledged that (s)he is an officer of **NATIONAL RAILWAY EQUIPMENT COMPANY** and that, being duly authorized, (s)he signed such instrument as a free act on behalf of said corporation.

Debra L Radtke

Notary Public

[Seal]



My Commission Expires:

4-18-001

SCHEDULE OF EQUIPMENT

Lessor: **NATIONAL RAILWAY EQUIPMENT COMPANY**

Lessee: **GATEWAY WESTERN RAILWAY COMPANY**

Approved by: _____
(Lessee to initial each page)

Attached to Lease Agreement dated:

April 13, 1999

Equipment Located at:

17641 Ashland Avenue
Homewood, Illinois 60430-1345

Equipment Schedule No.: # 869 & # 872

Manufacturer and/or Vendor <u>Name & Invoice Number</u>	Equipment <u>Description</u>
National Railway Equipment Company	EMD SD-40 w/o dynamic braking