

JOHN D. HEFFNER, PLLC

1920 N ST., N.W.

SUITE 800

WASHINGTON, D.C. 20036

(202) 263-4180

FAX (202) 296-3939

j.heffner@verizon.net

RECORDATION NO. 24844 FILED

MAR 10 '04 1-57 PM

SURFACE TRANSPORTATION BOARD

March 10, 2004

Hon. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423-0001
Attn: Equipment recordations

To Whom It May Concern:

I am enclosing for recordation pursuant to the provisions of 49 U.S.C. 11301 a Locomotive Lease Agreement dated February 10, 2004, a primary document.

The names and addresses of the parties to the enclosed document are:

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

Lessee: Old Augusta Railroad, Inc.
157 Buck Creek Road
New Augusta, Mississippi 39462

A description of the railroad equipment covered by the enclosed document is:

One EMD model SW-14 switching locomotive
bearing road number NREX 1432

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

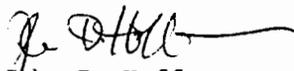
"Locomotive Lease Agreement"

Also enclosed is a check in the amount of \$30 payable to the Surface Transportation Board to cover the required recordation fee.

Hon. Vernon A. Williams
March 10, 2004
Page two

Please date stamp and return to me one copy of the enclosed document.

Sincerely yours,


John D. Heffner

Enclosure

cc: Robert Loewer, Esq.

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT is made and entered into as of February 10, 2004, by and between NATIONAL RAILWAY EQUIPMENT CO. ("Lessor"), and OLD AUGUSTA RAILROAD INC. ("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 herein.

Each locomotive is fully-described in a certain Lease Agreement dated as of February 10, 2004 (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:

Old AUGUSTA RAILROAD INC.

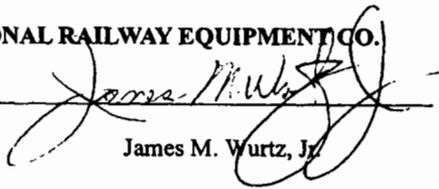
By: 

Name: Brad E. White

Title: OAR Supervisor

LESSOR:

NATIONAL RAILWAY EQUIPMENT CO.

By: 

Name: James M. Wurtz, Jr.

Title: Vice President

STATE OF Mississippi)
) SS.
COUNTY OF Perry)

On this 12th day of Feb, 2004, before me appeared Brad White, the person who signed this instrument who acknowledged that (s) he is the Supervisor of OAR and that, being duly authorized, (s) he signed such instrument as a free act on behalf of said corporation.

Colleen Craft
Notary Public



My Commission Expires:

July 9, 2005

STATE OF ILLINOIS)
) SS.
COUNTY OF WILL)

On this 9th day of March, 2004, before me appeared Jim White the person who signed this instrument who acknowledged that (s) he is an officer of **NATIONAL RAILWAY EQUIPMENT CO.** and that, being duly authorized, (s) he signed such instrument as a free act on behalf of said corporation.

Lisa Fuehrmeyer
Notary Public

[Seal]



My Commission Expires:

12-30-06

SCHEDULE OF EQUIPMENT

Lessor: NATIONAL RAILWAY EQUIPMENT CO.

Lessee: OLD AUGUSTA RAILROAD INC.

Approved by: _____
(Lessee to initial each page)

Attached to Bill of Sale dated: _____ Equipment Located at:
NREC Mt. Vernon, Illinois

Equipment Schedule No.: See Schedule "A"

| <u>Manufacturer and/or Vendor Name & Invoice Number</u> | <u>Equipment Description</u> |
|---|----------------------------------|
| National Railway Equipment Co. | SW-14 EMD Switcher Locomotive |

BEW

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