

**NATIONAL  
RAILWAY EQUIPMENT CO.**

HOME OFFICE 14400 S ROBESY STREET P. O. BOX 2270 DIXMOOR, ILLINOIS 60426  
TELEPHONE (708) 388-6002 FAX (708) 388-2487



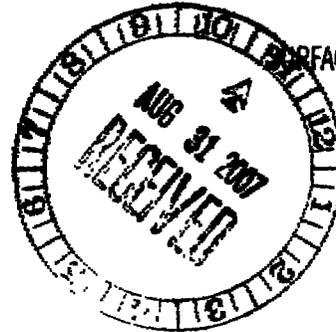
August 30, 2007

RECORDATION NO 27141 Filed

AUG 31 '07

2-31 PM

Hon. Vernon A. Williams  
Secretary  
Surface Transportation Board  
395 E Street, SW  
Washington, DC 20423-0001



Attn: Equipment Recordation

To Whom It May Concern:

I have enclosed for recordation, pursuant to the provisions of 49 U.S.C. 11301, an original and one counterpart of the memorandum of lease agreement and a schedule of equipment for a locomotive lease agreement dated July 19, 2007, a primary document under the Board's recordation regulations.

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

Lessor: National Railway Equipment Co.  
14400 S. Robey St.  
Dixmoor, IL 60426

Lessee: The Indiana Rail Road Company  
101 West Ohio Street, Suite 1600  
Indianapolis, IN 46204

A description of the equipment covered by the Lease Agreement is as follows:

3GS-21B N-ViroMotive Switcher Locomotive, bearing road # NREX 2009

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

"Locomotive Lease Agreement"

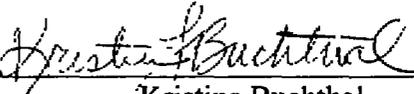
Also enclosed is a check in the amount of \$35 payable to the Surface Transportation Board to cover the required recordation fee for the attached agreement.

Please date-stamp and return an original copy after recordation to:

Kristina Buchthal  
National Railway Equipment Co.  
14400 South Robey Street  
P.O. Box 2270  
Dixmoor, IL 60426

Sincerely Yours.

NATIONAL RAILWAY EQUIPMENT CO.

By:   
\_\_\_\_\_  
Kristina Buchthal

**LOCOMOTIVE LEASE AGREEMENT**

SURFACE TRANSPORTATION BOARD

**THIS LOCOMOTIVE LEASE AGREEMENT ("Lease")**, entered into as of this 19th day of July 2007, between the National Railway Equipment Co., an Illinois corporation, ("LESSOR"), and The Indiana Rail Road Company, ("LESSEE").

**LESSOR AND LESSEE HEREBY AGREE AS FOLLOWS:**

**1. LEASE AND LEASED PROPERTY**

Lessee hereby leases from Lessor, the locomotive, ("Locomotive" or "locomotive"), together with the parts, accessories, attachments and devices, if any, now or hereafter affixed thereto, as described in Schedule "A" attached to and made part hereof.

**2. TERM**

The term of this Lease for each locomotive shall be the fixed term set forth in Schedule "A", commencing on the date such locomotive is accepted by Lessee ("Commencement Date"). In the event of default of the lease, Lessee shall affect prompt delivery of the locomotive to Lessor at its Mt. Vernon, Illinois manufacturing facility or to a mutually agreed upon location.

**3. RENTAL**

A. The rental payable shall be the sum identified in Schedule "A". Lessee shall operate such locomotive in service on its railroad. If the Commencement Date for any locomotive does not fall on the first day of the month, the first rental payment shall be prorated accordingly.

B. Payments past due for more than five (5) days shall bear interest at the rate of twelve percent (12%) per annum.

C. All rentals shall be paid to Lessor at:

National Railway Equipment Co.  
1473 Paysphere Circle  
Chicago, IL 60674

or at such other address as Lessor may direct in writing.

**4. TAXES**

Lessee shall pay all use, excise, ad valorem, stamp, documentary and similar taxes on or relating to this lease of the locomotive, or the use, registration, rental, maintenance, possession or operation thereof, and shall file any returns required therefor, and shall hold Lessor harmless against any liability and expense (including attorney fees and costs) on account of Lessee's failure to do the same.

WITNESS WHEREOF, the parties have executed this Lease the day and year first mentioned above.

LESSOR:

LESSEE:

NATIONAL RAILWAY EQUIPMENT CO.

THE INDIANA RAIL ROAD COMPANY

BY:

NAME:

James M. Wurtz, Jr.

TITLE:

Vice President

ATTEST:

Robert E. Loewer, Jr.

BY:

TITLE:

Director of Finance

(Corporate Seal)

BY:

NAME:

Stewart L. Meyer

TITLE:

Vice President & CFO

ATTEST:

BY:

TITLE:

Dir. Economic Analysis

(Corporate Seal)

**SCHEDULE "A"**

Attached to and incorporated into the Lease dated the 19<sup>th</sup> day of July, 2007 by and between the National Railway Equipment Co. (LESSOR) and The Indiana Rail Road Company (LESSEE).

Type and General Description of Locomotive Unit, Marks and Numbers:

<b>UNIT NO.</b>	<b>TYPE</b>	<b>GENERAL DESCRIPTION</b>
NREX 2009	NREC	3GS-21B N-ViroMotive Switcher Locomotive

**LEASE  
TERM  
2 Weeks**

**MEMORANDUM OF LEASE AGREEMENT**

THIS MEMORANDUM OF LEASE AGREEMENT is made and entered into as of July 19, 2007, by and between NATIONAL RAILWAY EQUIPMENT CO. ("Lessor"), and The Indiana Rail Road 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 herein.

Each locomotive is fully-described in a certain Lease Agreement dated as of July 19, 2007. (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.

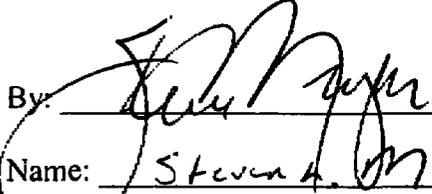
2. The Lease shall be effective as of the date hereof and shall be subject to the term specified in the Lease, and any extension of such term to the extent provided for in the Lease.

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.

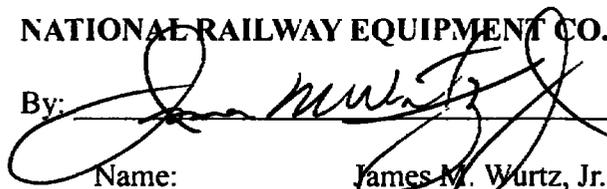
**LESSEE:**

**THE INDIANA RAIL ROAD COMPANY**

By:   
Name: Steven A. Meyer  
Title: Vice President + CFO

**LESSOR:**

**NATIONAL RAILWAY EQUIPMENT CO.**

By:   
Name: James M. Wurtz, Jr.

Title: Vice President

STATE OF INDIANA )  
 ) SS.  
COUNTY OF MAKON )

On this 31 day of July, 2007, before me appeared Stacy L. Meyer, the person who signed this instrument who acknowledged that (s) he is the VP + CFO of Indiana Rail Road Company and that, being duly authorized, (s) he signed such instrument as a free act on behalf of said corporation.

Alana M. Jackson  
Notary Public

[Seal]

ALANA M. JACKSON  
Notary Public, State of Indiana  
State of Indiana  
My Commission Expires 04-16-2011

My Commission Expires:

6-23-08

STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF WILL )  
COOK

On this 22nd day of August, 2007, before me appeared James M. Wurtz Jr., 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.

Robert E. Loewer Jr.  
Notary Public

[Seal]

My Commission Expires:

\_\_\_\_\_

OFFICIAL SEAL  
ROBERT E. LOEWER JR.  
NOTARY PUBLIC, STATE OF ILLINOIS  
MY COMMISSION EXPIRES 4-16-2011