

**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. 24845 FILED

MAR 10 '04 2:04 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 March 2, 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: Rail Power Services LLC  
23510 47<sup>th</sup> Avenue East  
Spanaway, Washington 98387

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

One EMD model SW-1200 switching locomotive  
bearing road number NREX 3537

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

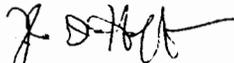
"Locomotive Lease Agreement"

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.

24845

RECORDATION NO. \_\_\_\_\_ FILED

MAR 10 '04

2-04 PM

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT is made and entered into as of February 17, 2004, by and between NATIONAL RAILWAY EQUIPMENT CO. ("Lessor"), and RAIL POWER SERVICE LLC, a Washington limited liability 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.

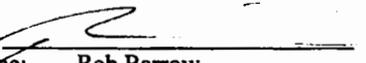
Each Locomotive is fully-described in a certain Lease Agreement dated as of March 2, 2004 (together with all of the riders, schedules and other attachments thereto, collectively, the "Lease"), each between Lessor and Lessee. A Schedule of the equipment is attached hereto.

- 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.

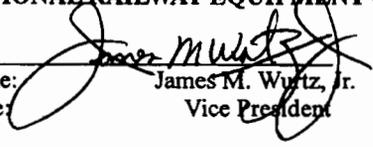
The Memorandum of Lease Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one Memorandum of Lease Agreement.

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:  
RAIL POWER SERVICES LLC

By:   
Name: Rob Barrow  
Title: Manager

LESSOR:  
NATIONAL RAILWAY EQUIPMENT CO.

By:   
Name: James M. Wurtz, Jr.  
Title: Vice President

STATE OF Washington )  
COUNTY OF Pierce ) SS.

On this 2nd day of March, 2004, before me appeared Rob Barrow, the person who signed this instrument who acknowledged that he is the Manager of Rail Power Services and that, being duly authorized, (s) he signed such instrument as a free act on behalf of said limited liability company.

Notary Public



[Seal]



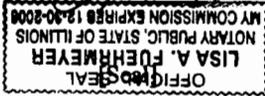
My Commission Expires:

\_\_\_\_\_

STATE OF ILLINOIS     )  
                                  ) SS.  
COUNTY OF WILL     )

On this 5th day of March, 2004, before me appeared [Signature] 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.

[Signature]



Notary Public

My Commission Expires:

12-30-08

