

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. 25154 FILED

AUG 18 '04

4-55 PM

SURFACE TRANSPORTATION BOARD

August 18, 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 July 16, 2004, a primary document under the Board's recordation regulations.

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: Rock & Rail LLC
3655 Outwest Drive
Colorado Springs, CO 80901

A description of the railroad equipment covered by Lease Agreement is:

One EMD model GP40-2 road switching locomotive
bearing road number NREX 7249

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

"Locomotive Lease Agreement"

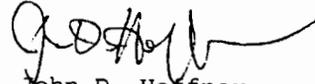
Also enclosed is a check in the amount of \$30 payable to the Surface Transportation Board to cover the required recordation fee for the attached agreement.

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

Hon. Vernon A. Williams
August 18, 2004
Page two

document.

Sincerely yours,

A handwritten signature in black ink, appearing to read "John D. Heffner", with a stylized flourish extending to the right.

John D. Heffner

Enclosure

cc: Robert Loewer, Esq.

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT is made and entered into as of July 16, 2004, by and between NATIONAL RAILWAY EQUIPMENT CO. ("Lessor"), and Rock & Rail LLC ("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 16, 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:

ROCK & RAIL LLC

By: Franklin Lloyd

Name: Franklin Lloyd

Title: President

LESSOR:

NATIONAL RAILWAY EQUIPMENT CO.

By: James M. Wurtz, Jr.

Name: James M. Wurtz, Jr.

Title: Vice President

FR RL

STATE OF Colorado)
) SS.
COUNTY OF El Paso)

On this 22nd day of July, 2004, before me appeared Franklin Lloyd, the person who signed this instrument who acknowledged that (s) he is the President of Rock + Rail, LLC. and that, being duly authorized, (s) he signed such instrument as a free act on behalf of said corporation.



My Commission Expires:

6/3/2005

Patricia A. Danker

Notary Public

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

On this 16th day of August appeared Jim Wirtz, 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.



My Commission Expires:

12-30-06

Lisa Fuehrmeyer

Notary Public

Jim Wirtz FL

