

RECORDATION NO. 25405-A FILED

JAN 12 '05 3-05 PM

SURFACE TRANSPORTATION BOARD

OF COUNSEL  
URBAN A. LESTER

ALVORD AND ALVORD  
ATTORNEYS AT LAW  
1050 SEVENTEENTH STREET, N.W.  
SUITE 301  
WASHINGTON, D.C.  
20036  
\_\_\_\_\_  
(202) 393-2266  
FAX (202) 393-2156  
E-MAIL alvordlaw@aol.com

ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

January 12, 2005

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Assignment of Rents and Lessor's Interest in Leases, dated as of December 29, 2004, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Loan and Security Agreement being filed with the Board under Recordation Number \_\_\_\_\_.

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

Assignor: Railpower Hybrid Technologies Corp.  
Suite 202, 50 Fell Avenue  
North Vancouver, British Columbia  
Canada V7P 3S2

[Assignee: LaSalle Bank National Association  
135 South LaSalle Street  
Chicago, IL 60603]

Mr. Vernon A. Williams  
January 12, 2005  
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A description of the railroad equipment covered by the enclosed document  
is:

6 locomotives: RPRX 2401 - RPRX 2405 and UPY 2004.

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

Memorandum of Assignment of Rents and Lessor's Interest in Leases.

Also enclosed is a check in the amount of \$32.00 payable to the order of  
the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the  
undersigned.

Very truly yours,



Robert W. Alvord

RWA/anm  
Enclosures

**MEMORANDUM OF ASSIGNMENT OF RENTS AND LESSOR'S INTEREST IN  
LEASES**

This Memorandum of Assignment of Rents and Lessor's Interest in Leases ("Memorandum") made and entered into as of December 29, 2004, by RAILPOWER HYBRID TECHNOLOGIES CORP. ("Assignor") to LASALLE BANK NATIONAL ASSOCIATION ("Assignee").

**WITNESSETH:**

The Assignor entered into that certain Assignment of Rents and Lessor's Interest in Leases (the Assignment Agreement") dated as of the date hereof.

Under the Assignment Agreement, the Assignor assigned its right, title and interest in and to all of Assignor's right, title and interest in and to the rents, issues and profit of the Locomotives, including all of Assignor's right, title and interest in any lease to Assignee. The Locomotives are described in Exhibit A hereto. The documents relating to the Locomotives are set forth in Exhibit B hereto.

The Assignor wishes to show for the public record the existence of the aforementioned Assignment Agreement, and accordingly the Assignor has caused this Memorandum to be executed by its respective duly authorized officers, as of the date first above written.

IN WITNESS WHEREOF, the undersigned has caused this Memorandum to be executed by a duly authorized officer as of the day and year first above written.

**RAILPOWER HYBRID TECHNOLOGIES CORP.**

By: *Peter M. Ballachey*

Name: Peter M. Ballachey

Title: Chief Financial Officer

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SURFACE TRANSPORTATION BOARD

PROVINCE OF )  
 ) SS:  
BRITISH COLUMBIA )

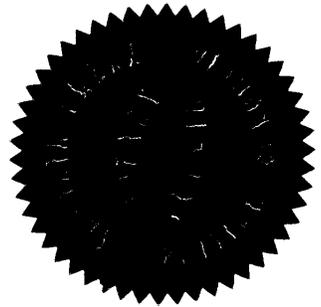
On this 7 of January, 2005, before me personally appeared Peter Ballachey, to me personally known, who being duly sworn, stated that he is Chief Financial Officer of RAILPOWER HYBRID TECHNOLOGIES CORP., that said instrument was signed on behalf of said corporation by authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires

KENNETH R. SHERK, B.A., T.T.  
NOTARY PUBLIC  
#300 - 1497 MARINE DRIVE  
WEST VANCOUVER, B.C. V7T 1B6  
TEL: 922-5972  
FAX: 922-4686

CANADA  
PROVINCE OF BRITISH COLUMBIA  
KENT



**SCHEDULE A TO  
MEMORANDUM OF ASSIGNMENT OF RENTS AND LESSOR'S INTEREST IN  
LEASES**

RPRX2401

RPRX2402

RPRX2403

RPRX2404

UPY2004

RPRX2405

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**SCHEDULE B TO  
MEMORANDUM OF ASSIGNMENT OF RENTS AND LESSOR'S INTEREST IN  
LEASES**

- 1. Demonstration Lease Agreement with CSX Transportation, Inc., dated January 9, 2004.**
- 2. Master Lease Agreement with Union Pacific Railroad Company, dated August 16, 2004.**