

RECORDATION NO. 22419-K FILED

NOV 02 '05 4-28 PM

SURFACE TRANSPORTATION BOARD

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OF COUNSEL  
URBAN A. LESTER

November 2, 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 three (3) copies of an Mortgage and Security Agreement (KCSR), dated as of November 2, 2005, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Mortgage and Security Agreement which is being filed under Recordation Number 22419-G.

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

Borrower: The Kansas City Southern Railway Company  
P.O. Box 219335  
Kansas City, MO 64121

[Secured Parties: Export Development Canada  
151 O'Connor Street  
Ottawa, Ontario  
K1A 1K3 Canada

KFW  
(f/k/a Kreditanstalt Fur Wiederaufbau)  
Palmengartenstrasse 5-9  
60325 Frankfurt am Main  
Germany]

Mr. Vernon A. Williams  
November 2, 2005  
Page Two

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

25 locomotives within the series TFM 1600 – TFM 1648

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

Mortgage and Security Agreement

Also enclosed is a check in the amount of \$33.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of the enclosed documents to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/anm  
Enclosures

NOV 02 '05 4:28 PM

## MEMORANDUM OF MORTGAGE AND SECURITY AGREEMENT (KCSR)

This Memorandum of Mortgage and Security Agreement is made and entered into as of November 2, 2005 by The Kansas City Southern Railway Company ("KCSR") in favor of Export Development Canada ("EDC") and KfW (f/k/a Kreditanstalt für Wiederaufbau) ("KfW"; KfW and EDC collectively referred to as the "Secured Party").

The Secured Party made certain loans to El-Mo-Mex, Inc. ("El-Mo-Mex") pursuant to a loan agreement (the "Original Loan Agreement") dated September 8, 1999 between El-Mo-Mex and the Secured Party. The proceeds of the loans made pursuant to the Original Loan Agreement were used to purchase seventy-five (75) General Motors SD7OMAC 4,000 horse power diesel-electric locomotives, as more particularly described in the Original Loan Agreement (the "Locomotives" and each, a "Locomotive").

Pursuant to a Mortgage and Security Agreement dated March 14, 2003 (the "Original Mortgage and Security Agreement"), El-Mo-Mex granted to Secured Party a security interest in the Locomotives. The Original Mortgage and Security Agreement was filed with the Surface Transportation Board ("STB") on March 14, 2003 and assigned recordation number 22419-G.

Pursuant to the Purchase and Sale Agreement dated as of November 2, 2005 (the "Purchase Agreement") between El-Mo-Mex, KCSR and NAFTA Rail, S.A. de C.V. ("SPV"; SPV and KCSR collectively referred to as the "Debtors"), El-Mo-Mex has now sold to KCSR all of its right, title and interest in certain of the Locomotives, as more particularly described in Schedule A (the "KCSR Locomotives") and El-Mo-Mex has now sold to SPV all of its right, title and interest in certain of the Locomotives (the "SPV Locomotives"; the KCSR Locomotives and the SPV Locomotives constituting all of the Locomotives).

The Debtors have assumed the obligations of El-Mo-Mex under the Original Loan Agreement pursuant to the Assignment and Assumption Agreement dated as of the date hereof.

The Secured Party and the Debtors have amended and restated the Original Loan Agreement, as previously amended, pursuant to the Amended and Restated Loan Agreement dated as of November 2, 2005 (the "Loan Agreement"). Pursuant to the Loan Agreement, Debtors have executed and delivered to Secured Party a Mortgage and Security Agreement dated as of November 2, 2005 (the "Mortgage and Security Agreement") confirming the Secured Party's security interest in the Locomotives and other components of the Secured Property (as defined in the Mortgage and Security Agreement).

KCSR hereby makes this Memorandum of Mortgage and Security Agreement to confirm and perfect Secured Party's security interest in the KCSR Locomotives.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned, pursuant to due corporate authority, has caused this Memorandum of Mortgage and Security Agreement to be duly executed in its corporate name by its officers, thereunto duly authorized, all as of the date first above written.

**THE KANSAS CITY SOUTHERN RAILWAY  
COMPANY**

By: \_\_\_\_\_



Name: Ronald G. Russ

Title: Executive Vice President and  
Chief Financial Officer

STATE OF MISSOURI            )  
  ) SS:  
COUNTY OF JACKSON         )

On this 28th day of October, 2005, before me personally appeared Ronald G. Russ, to me personally known, who, being by me duly sworn, says that he is the Executive Vice President and Chief Financial Officer of **THE KANSAS CITY SOUTHERN RAILWAY COMPANY**, and that the foregoing instrument was signed on behalf of said entity by authority of its Board of Directors. Further, he acknowledged that the execution of the foregoing instrument was the free act and deed of said entity.

  
Notary Public  
[Notarial Seal]

My commission expires:

LINDA REEVE  
Notary Public - Notary Seal  
STATE OF MISSOURI  
CLAY COUNTY  
MY COMMISSION EXP. AUG. 4, 2006

**SCHEDULE A**  
**KCSR LOCOMOTIVES**

**Reporting Mark: TFM**

**ROAD**  
**NUMBER**

1600  
1601  
1602  
1603  
1604  
1606  
1607  
1608  
1609  
1610  
1616  
1617  
1618  
1622  
1624  
1625  
1628  
1631  
1641  
1645  
1650  
1655  
1639  
1646  
1648

Total Units = 25

**CERTIFICATION**

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: 11/2/05



\_\_\_\_\_  
Robert W. Alvord