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SURFACE TRANSPORTATION BOARD

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

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 (SPV), 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 filed under Recordation Number 22419-G.

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

Borrower: NAFTA Rail, S.A. de C.V.  
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:

50 locomotives within the series TFM 1605 – TFM 1674

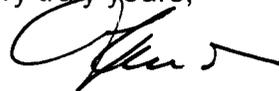
A short summary of the document to appear in the index follows:

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

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**MEMORANDUM OF MORTGAGE AND SECURITY AGREEMENT (SPV)**

SURFACE TRANSPORTATION BOARD

This Memorandum of Mortgage and Security Agreement is made and entered into as of November 2, 2005 by NAFTA Rail, S.A. de C.V. ("SPV") in favor of Export Development Canada ("EDC") and KfW (f/k/a Kreditanstalt fur 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, SPV and The Kansas City Southern Railway Company ("KCSR"; SPV and KCSR collectively referred to as the "Debtors"), El-Mo-Mex has now sold to SPV all of its right, title and interest in certain of the Locomotives, as more particularly described in Schedule A (the "SPV Locomotives") and El-Mo-Mex has now sold to KCSR all of its right, title and interest in certain of the Locomotives (the "KCSR 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.

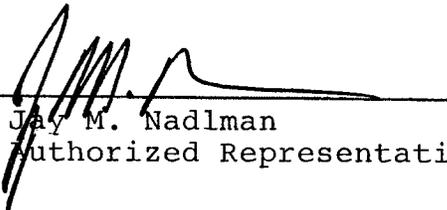
The Secured Party and the Debtors have amended and restated the Original Loan Agreement, as previously amended, pursuant to the Amended and Restated Loan Agreement dated as of November 2, 2005 (the "Loan Agreement"). Pursuant to the Loan Agreement, Debtors have executed and delivered to Secured Party 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).

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

NAFTA RAIL, S.A. de C.V.

By:   
Name: Jay M. Nadlman  
Title: Authorized Representative

STATE OF MISSOURI            )  
  ) SS:  
COUNTY OF JACKSON        )

On this 28th day of October, 2005, before me personally appeared Jay M. Nadlman, to me personally known, who, being by me duly sworn, says that he is an Authorized Representative of **NAFTA Rail, S.A. de C.V.**, and that the foregoing instrument was signed on behalf of said entity by authority of its shareholders. 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**  
**SPV LOCOMOTIVES**

**Reporting Mark: TFM**

<b><u>ROAD NUMBER</u></b>	<b><u>ROAD NUMBER</u></b>
1605	1647
1611	1649
1612	1651
1613	1652
1614	1653
1615	1654
1619	1656
1620	1657
1621	1658
1623	1659
1626	1660
1627	1661
1629	1662
1630	1663
1632	1664
1633	1665
1634	1666
1635	1667
1636	1668
1637	1669
1638	1670
1640	1671
1642	1672
1643	1673
1644	1674

Total Units = 50

**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