

**NATIONAL
RAILWAY EQUIPMENT CO.**



HOME OFFICE: 14400 S. ROBESY STREET · P. O. BOX 2270 · DIXMOOR, ILLINOIS 60426
TELEPHONE (708) 388-6002 · FAX (708) 388-2487

November 10, 2005

RECORDATION NO. 25974 FILED

NOV 18 '05

2-30 PM

SURFACE TRANSPORTATION BOARD



Hon. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423-0001

Attn: Equipment Recordation

To Whom It May Concern:

I have enclosed for recordation pursuant to the provisions of 49 U.S.C. 11301 a memorandum of lease agreement and a schedule of equipment for a locomotive lease agreement dated November 8, 2005, a primary document under the Board's recordation regulations.

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

Lessor: National Railway Equipment Co.
14400 S. Robey
Dixmoor, Illinois 60426

Lessee: Border Steel, Inc.
P.O. Box 12843
El Paso, Texas 79913-0843

A description of the equipment covered by the Lease Agreement is as follows:

One EMD SW-1200 Switcher Locomotive

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

"Locomotive Lease Agreement"

Also enclosed is a check in the amount of \$33 payable to the Surface Transportation Board to cover the required recordation fee for the attached agreement.

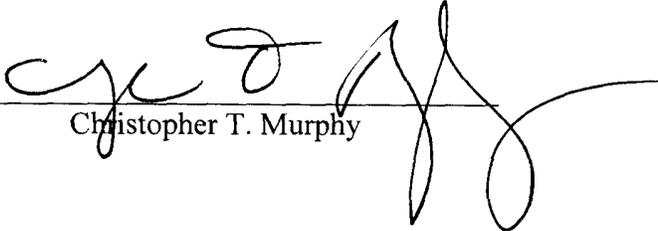
Please date stamp and return an original copy after recordation to:

Christopher T. Murphy
National Railway Equipment Co.
14400 South Robey Street
P.O. Box 2270
Dixmoor, IL 60426

Sincerely yours,

NATIONAL RAILWAY EQUIPMENT CO.

By: _____


Christopher T. Murphy

NOV 18 '05

2-30 PM

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT is made and entered into as of the 8th day of November, 2005, by and between NATIONAL RAILWAY EQUIPMENT CO. ("Lessor"), and BORDER STEEL, INC.. ("Lessee"), with reference to the following:

1. Lessor has agreed to lease to Lessee, and Lessee has agreed to lease from Lessor, Locomotive model described herein.

The locomotive is fully-described in a certain Lease Agreement dated as of October 12, 2005, (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:

BORDER STEEL, INC.

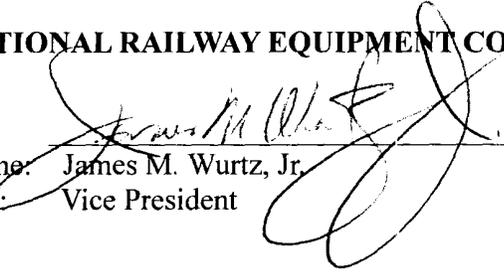
By: 

Name: Gerardo Salinas

Title: President

LESSOR:

NATIONAL RAILWAY EQUIPMENT CO.

By: 

Name: James M. Wurtz, Jr.

Title: Vice President

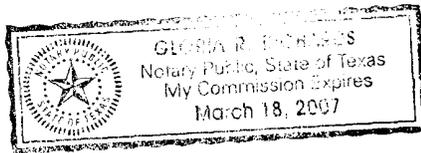
STATE OF TEXAS _____)
) SS.
COUNTY OF EL PASO _____)

On this 9 day of October, 2005, before me appeared M. S. Salinas, the person who signed this instrument who acknowledged that (s) he is the President of Border Steel, Inc. and that, being duly authorized, (s) he signed such instrument as a free act on behalf of said corporation.

[Signature]

Notary Public

[Seal]



My Commission Expires:

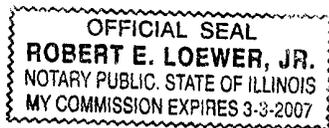
STATE OF ILLINOIS _____)
) SS.
COUNTY OF WILL _____)

On this 10th day of November, 2005, before me appeared James M. Wurtz Jr., 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

[Seal]



My Commission Expires:

SCHEDULE OF EQUIPMENT

Lessor: NATIONAL RAILWAY EQUIPMENT CO.

Lessee: BORDER STEEL, INC.

Approved by: _____
(Lessee to initial each page)

Attached to Lease dated: November 8, 2005
Equipment Located at: Border Steel Inc.'s facility in Vinton, Texas

Equipment Schedule No.: See Schedule "A"

<u>Manufacturer and/or Vendor Name & Invoice Number</u>	<u>Equipment Description</u>
National Railway Equipment Co.	EMD SW-1200 Switcher Locomotive

5