

RECORDATION NO. 26061 FILED

DEC 23 '05

12-20 PM

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ELIAS C. ALVORD (1942)
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OF COUNSEL
URBAN A. LESTER

SURFACE TRANSPORTATION BOARD

December 23, 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 Lease, dated as of December 23, 2005, a primary document as defined in the Board's Rules for the Recordation of Documents.

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

Lessor:	PLM Financial Services, Inc. 1889 Sunset Boulevard San Diego, California 92103
Lessee:	The Kansas City Southern Railway Company 427 West 12th Street Kansas City, Missouri 64105

Mr. Vernon A. Williams
December 23, 2005
Page 2

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

6 locomotives: KCS 4000, KCS 4003, KCS 4005, KCS 4007, KCS 4008 and KCS 4011.

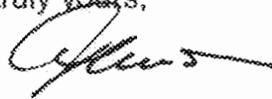
A short summary of the document to appear in the index is:

Memorandum of Lease.

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 stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/anm
Enclosures

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LEASE

Memorandum of Lease, made and entered into as of December 23, 2005 between **THE KANSAS CITY SOUTHERN RAILWAY COMPANY** (the "**Lessee**") and **PLM FINANCIAL SERVICES, INC.** (the "**Lessor**" and, together with the Lessee, the "**Parties**"). Terms used in this instrument have the meanings assigned thereto in the Equipment Lease Agreement dated as of December 23, 2005 (the "**Lease Agreement**") between the Lessee and the Lessor.

WITNESSETH:

WHEREAS, the Lessor and the Lessee entered into the Lease Agreement covering the equipment listed on Exhibit A hereto (the "Locomotives");

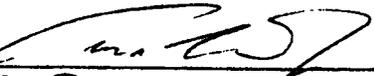
WHEREAS, the Parties wish to show for the public record the existence of the aforesaid Lease Agreement, and the respective interests therein of the Parties and accordingly the Parties have caused this memorandum to be executed by their respective duly authorized officers, as of the date first above written.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto, by this instrument the Lessor hereby leases and confirms the lease of the Locomotives to the Lessee in accordance with the terms and conditions of the Lease Agreement, and the Lessee confirms and accepts such terms and conditions, which are incorporated by reference as if fully set forth herein.

This Memorandum of Lease may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the party hereto has caused this memorandum to be duly executed by its officer duly authorized as of the date and year first above written.

**PLM FINANCIAL SERVICES, INC., as
Lessor**

By 
Name: Paul M. Leano, Jr.
Title: President

**KANSAS CITY SOUTHERN RAILWAY
CORPORATION, as Lessee**

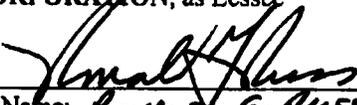
By _____
Name:
Title:

IN WITNESS WHEREOF, the party hereto has caused this memorandum to be duly executed by its officer duly authorized as of the date and year first above written.

**PLM FINANCIAL SERVICES, INC., as
Lessor**

By _____
Name:
Title:

**KANSAS CITY SOUTHERN RAILWAY
CORPORATION, as Lessee**

By  _____
Name: **RONALD G. HUSS**
Title: **EVPA CEO**

STATE OF NY)
) ss.:
COUNTY OF New York)

On the 22 day of December in the year 2005 before me personally came Paul M Leand Jr to me known, who, being by me duly sworn, did depose and say that he resides at 1117 Chestnut Ridge Road; that he is the president (duly appointed) of PLM Financial Services, Inc., the corporation described in and which executed the above instrument; and that he signed his name thereto by authority of the officers of said corporation.

LIZABETH FUCHS
Notary Public, State of New York
No. 01FU6128481
Qualified in New York County
Commission Expires June 13, 2009

Lizbeth fuchs
Notary Public

[Notarial Seal]

Memorandum of Lease

STATE OF Missouri)
)
COUNTY OF Jackson) ss.:

On the 22 day of December in the year 2005 before me personally came ~~Ronald G. B...~~ Ronald G. B... to me known, who, being by me duly sworn, did depose and say that he resides at ~~6813 Augusta, Parkville, MO 64152~~; that he is the EMPLOYEE (duly appointed) of Kansas City Southern Railway Company, the corporation described in and which executed the above instrument; and that he signed his name thereto by authority of the officers of said corporation.


Notary Public

[Notarial Seal]

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

Memorandum of Lease

**Exhibit A
to Memorandum of Lease**

EQUIPMENT

<u>Lease #</u>	<u># Locomotives</u>	<u>Year Built</u>	<u>Description</u>	<u>Reporting Marks</u>	<u>Casualty Marks</u>
1	6	2005	SD70ACe Model 4300 Horsepower Six Motor AC Traction Diesel- Electric Locomotives	KCS 4000, 4003, 4005, 4007, 4008 and 4011	None

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: 12/22/05



Robert W. Alvord