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ATTORNEYS AT LAW  
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SUITE 301  
WASHINGTON, D.C.

SURFACE TRANSPORTATION BOARD

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

20036

OF COUNSEL  
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January 24, 2006

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 January 24, 2006, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Lease previously filed with the Board under Recordation Number 26061.

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

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

Mr. Vernon A. Williams  
January 24, 2006  
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A description of the railroad equipment covered by the enclosed document  
is:

2 locomotives: KCS 4021 and KCS 4022.

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

JAN 24 '06

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SURFACE TRANSPORTATION BOARD

**MEMORANDUM OF LEASE**

Memorandum of Lease, made and entered into as of January 24, 2006 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 Michael Dockman  
Name: Michael Dockman  
Title: Authorized Signatory

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

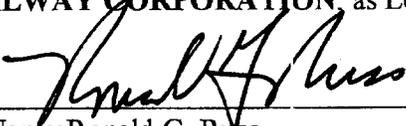
By \_\_\_\_\_  
Name:  
Title:

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:

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

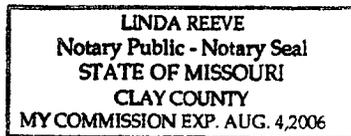
By  \_\_\_\_\_  
Name: Ronald G. Russ  
Title: Executive Vice President & Chief  
Financial Officer

STATE OF MISSOURI            )  
  ) ss.:  
COUNTY OF JACKSON        )

On the 23rd day of January in the year 2006 before me personally came Ronald G. Russ to me known, who, being by me duly sworn, did depose and say that he is the Executive Vice President and Chief Financial Officer (duly appointed) of The 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]

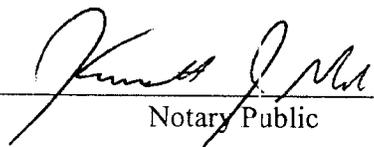


Memorandum of Lease

STATE OF NEW YORK            )  
  ) ss.:  
COUNTY OF NEW YORK        )

On the 24th day of January in the year 2006 before me personally came MICHAEL DOCKMAN to me known, who, being by me duly sworn, did depose and say that he resides at \_\_\_\_\_; that he is the Authorized Signatory (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.

KENNETH J. MILES  
NOTARY PUBLIC, STATE OF NEW YORK  
NO. 02MI6100169  
QUALIFIED IN WESTCHESTER COUNTY  
COMMISSION EXPIRES 10/14/2007

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

[Notarial Seal]

**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              | 2                    | 2006              | SD70ACe Model<br>4300 Horsepower<br>Six Motor AC<br>Traction Diesel-<br>Electric<br>Locomotives | KCS 4021 and 4022      | 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: 1/24/86

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