

CHAPMAN AND CUTLER LLP

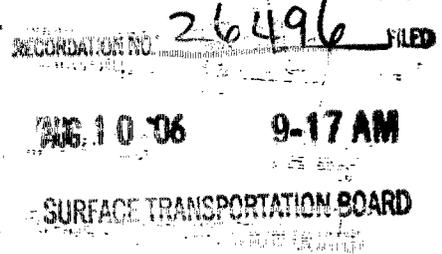
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August 9, 2006



Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Re: The Kansas City Southern Railway Company
Leveraged Lease Financing
(KCSR 2006-1)

Dear Mr. Williams:

I am enclosing for recording pursuant to Section 11301 of Title 49 of the United States Code, two original copies of the Memorandum of Equipment Lease Agreement (KCSR 2006-1), dated August 11, 2006, between the KCSR Trust 2006-1, acting through Wilmington Trust Company, not in its individual capacity, but solely as Owner Trustee, as lessor (the "Lessor"), and The Kansas City Southern Railway Company, as lessee (the "Lessee"), a primary document as defined in the Surface Transportation Board's Rules for the Recordation of Documents.

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

- Lessee: The Kansas City Southern Railway Company
427 West 12th Street
Kansas City, Missouri 64105
Attention: Senior Vice President-Finance & Treasurer
- Lessor: Wilmington Trust Company
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890-0001
Attention: Corporate Administration

The equipment covered as of the date hereof by the aforesaid Memorandum of Equipment Lease Agreement consists of 30 SD70ACe Locomotives bearing the reporting marks within the series KCS 4000 through KCS 4029 and 3 SD70ACe Locomotives bearing the reporting marks within the series GM 71 through GM 73, inclusive or KCS 3997 through KCS 3999, inclusive; all as specifically described in Exhibit A attached hereto.

Law Offices of
CHAPMAN AND CUTLER, LLP

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

Memorandum of Equipment Lease Agreement (KCSR 2006-1) between KCSR Trust 2006-1, acting through Wilmington Trust Company, not in its individual capacity, but solely as Owner Trustee, as Lessor and The Kansas City Southern Railway Company, as Lessee.

A fee of thirty-four dollars (\$34.00) is enclosed. Please time and date stamp the enclosed copy of the enclosed document along with the extra copy of this letter as proof of filing and recordation of the enclosed document and return the original and any extra copies of such document and this letter not needed by the Board for recordation to:

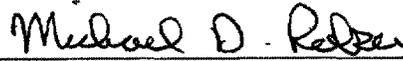
Robert Alvord, Esq.
Alvord and Alvord
1050 Seventeenth Street, N.W.
Suite 301
Washington, D.C. 20036

If you have any questions or need further information, please do not hesitate to contact the undersigned (312-845-2991).

Sincerely,

CHAPMAN AND CUTLER LLP

By



Michael D. Robson

Enclosures

EXHIBIT A

UNITS

EQUIPMENT	QUANTITY	REPORTING MARKS
SD70ACe Locomotives	30	KCS 4000 through KCS 4029, inclusive
SD70ACe Locomotives	3	GM 71 through GM 73, inclusive
		to become
		KCS 3997 through KCS 3999, inclusive

RECORDATION NO. 26496
AUG 10 06 9-17 AM
MISSOURI TRANSPORTATION BOARD

**MEMORANDUM OF EQUIPMENT LEASE AGREEMENT
(KCSR 2006-1)**

Memorandum of Equipment Lease Agreement (KCSR 2006-1), made and entered into August 11, 2006, by and between the KCSR Trust 2006-1, acting through Wilmington Trust Company, a Delaware banking corporation, not in its individual capacity, but solely as Owner Trustee, as Lessor ("*Lessor*"), and The Kansas City Southern Railway Company, a Missouri corporation, as Lessee ("*Lessee*").

WITNESSETH:

The undersigned have entered into that certain Equipment Lease Agreement (KCSR 2006-1), dated as of August 2, 2006 (the "*Lease Agreement*"), whereby the Lessor has agreed to lease to Lessee and Lessee has agreed to lease from Lessor certain railroad equipment bearing reporting marks as listed on Exhibit A attached hereto, effective as of the date first set forth hereinabove and subject to the term defined in said Lease Agreement.

IN WITNESS WHEREOF, the parties hereto have each caused this memorandum to be duly executed by their respective officers duly authorized as of the date and year first above written.

KCSR TRUST 2006-1, acting through
WILMINGTON TRUST COMPANY, not in its
individual capacity, but solely as Owner
Trustee

By _____
Name:
Title:

Executed on this ____ day of August, 2006.

THE KANSAS CITY SOUTHERN RAILWAY
COMPANY

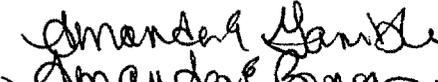
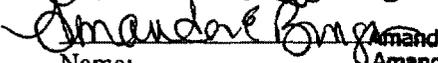
By Paul J. Weyandt
Name: PAUL J. WEYANDT
Title: SENIOR VICE PRESIDENT-
FINANCE AND TREASURER

Executed on this 8th day of August, 2006.

STATE OF DELAWARE)
) SS.:
COUNTY OF NEW CASTLE)

On this, the 8th day of August, 2006, before me, a Notary Public in and for said County and State, personally appeared J. Christopher Murphy, who being by me duly sworn, says that (s)he is the Financial Services Officer of WILMINGTON TRUST COMPANY, that said instrument was signed on August 8, 2006 on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.



Name: Amanda E. Gamble
Amanda E. Burger
Notary Public **Notary Public - State of Delaware**
My Commission Expires: **My Comm. Expires March 7, 2007**
Residing in _____

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

On this _____ day of August, 2006, before me personally appeared _____ to me personally known, who being by me duly sworn, says that (s)he is the _____ of THE KANSAS CITY SOUTHERN RAILWAY COMPANY, that said instrument was signed on August ____, 2006, on behalf of said corporation by authority of its Board of Directors; and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name:
Notary Public -
My Commission Expires:
Residing in

(SEAL)

STATE OF _____)
) SS.:
COUNTY OF _____)

On this, the ____ day of August, 2006, before me, a Notary Public in and for said County and State, personally appeared _____, who being by me duly sworn, says that (s)he is the _____ of WILMINGTON TRUST COMPANY, that said instrument was signed on August ____, 2006 on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name:
Notary Public
My Commission Expires:
Residing in _____

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

On this 8th day of August, 2006, before me personally appeared Paul J. Weyandt to me personally known, who being by me duly sworn, says that (s)he is the Senior VP Finance and Treasury of THE KANSAS CITY SOUTHERN RAILWAY COMPANY, that said instrument was signed on August 8, 2006, on behalf of said corporation by authority of its Board of Directors; and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.



(SEAL)

Barbara L. Blevins
Name:
Notary Public -
My Commission Expires:
Residing in _____

EXHIBIT A

UNITS

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