

**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 21, 2006

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

RECORDATION NO. 26696 FILED

DEC 15 '06

11-15 AM

SURFACE TRANSPORTATION BOARD



Attn: Equipment Recordation

To Whom It May Concern:

I have enclosed for recordation, pursuant to the provisions of 49 U.S.C. 11301, an original and one counterpart of the memorandum of lease agreement and the schedule of equipment for a locomotive lease agreement dated September 25, 2006, 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. Robesy St.
Dixmoor, IL 60426

Lessee: Honeywell International, Inc.
101 Columbia Road
Morristown, NJ 07963

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

Two EMD SW-1200 Switcher Locomotives

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

"Locomotive Lease Agreement"

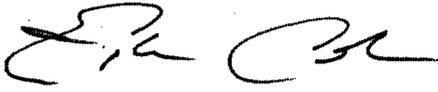
Also enclosed is a check in the amount of \$34 payable to the Surface Transportation Board to cover the required recordation fee for the attached agreement.

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

Ethan Crooks
National Railway Equipment Co.
14400 South Robey Street
P.O. Box 2270
Dixmoor, IL 60426

Sincerely yours,

NATIONAL RAILWAY EQUIPMENT CO.

By: 

Ethan Crooks

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT is made and entered into as of September 25, 2006, by and between NATIONAL RAILWAY EQUIPMENT CO. ("Lessor"), and HONEYWELL INTERNATIONAL, INC. ("Lessee"), with reference to the following:

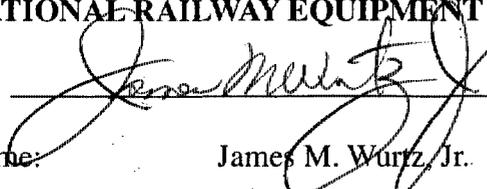
1. Lessor has agreed to lease to Lessee, and Lessee has agreed to lease from Lessor, Locomotive model(s) described herein.

Each locomotive is fully-described in a certain Lease Agreement dated as of September 25, 2006, (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.

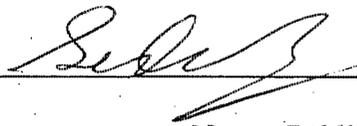
The Memorandum of Lease Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one Memorandum of Lease Agreement.

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:**HONEYWELL INTERNATIONAL, INC.**By: Name: Eugene GoldTitle: Director**LESSOR:****NATIONAL RAILWAY EQUIPMENT CO.**By: Name: James M. Wurtz, Jr.Title: Vice President

STATE OF New Jersey)
) SS.
COUNTY OF Morris)

On this 2 day of November, 2006, before me appeared Eugene Gallo, the person who signed this instrument who acknowledged that (s) he is the Director/President of Honeywell Int'l Inc. and that, being duly authorized, (s) he signed such instrument as a free act on behalf of said corporation.



Notary Public

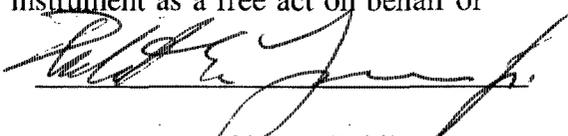
[Seal]

My Commission Expires:

SEDESH DOBAY, ESQ.
ATTORNEY AT LAW
of the
State of New Jersey

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

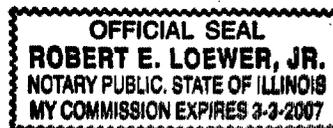
On this 6 day of November, 2006, before me appeared James M. Wurtz Jr., the person who signed this instrument who acknowledged that (s) he is an officer of **NATIONAL RAILWAY EQUIPMENT CO.** and that, being duly authorized, (s) he signed such instrument as a free act on behalf of said corporation.



Notary Public

[Seal]

My Commission Expires:



SCHEDULE "A"

Attached to and incorporated into the Lease dated the 25th day of September, 2006 by and between the National Railway Equipment Co. (LESSOR) and Honeywell International, Inc. (LESSEE).

Type and General Description of Locomotive Unit, Marks and Numbers:

UNIT NO.	TYPE	GENERAL DESCRIPTION
NREX TBD	EMD	SW-1200 Switcher Locomotive
NREX TBD	EMD	SW-1200 Switcher Locomotive

SCHEDULE OF EQUIPMENT

Lessor: NATIONAL RAILWAY EQUIPMENT CO.

Lessee: HONEYWELL INTERNATIONAL, INC.

Approved by: _____
(Lessee to initial each page)

Attached to Bill of Sale dated:

Equipment Located at:

National Railway Equipment Co.'s
manufacturing facility in Dixmoor, Illinois

Equipment Schedule No.: See Schedule "A"

Manufacturer and/or Vendor
Name & Invoice Number

Equipment
Description

National Railway Equipment Co.

EMD SW1200 Switcher Locomotives

