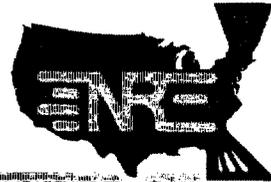


# NATIONAL RAILWAY EQUIPMENT CO.



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

December 14, 2006

RECORDATION NO. 26699 FILED

DEC 15 '06

11-30 AM

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, an original and one counterpart of the memorandum of lease agreement and the schedule of equipment for a locomotive lease agreement dated October 31, 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. Robey St.  
Dixmoor, IL 60426

Lessee: The Kansas City Southern Railway Company  
427 West 12<sup>th</sup> Street  
Kansas City, Missouri 64105

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

Thirty-four GE B39-8 Four Axle locomotives, bearing road numbers 8500, 8503, 8507, 8508, 8509, 8512, 8513, 8514, 8517, 8520, 8523, 8528, 8529, 8532, 8534, 8538, 8543, 8545, 8547, 8551, 8562, 8564, 8570, 8571, 8573, 8581, 8582, 8584, 8586, 8587, 8588, 8589, 8590, 8599

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

DEC 15 '06

11-30 AM

**MEMORANDUM OF LEASE AGREEMENT SURFACE TRANSPORTATION BOARD**

THIS MEMORANDUM OF LEASE AGREEMENT is made and entered into as of October 31, 2006, by and between NATIONAL RAILWAY EQUIPMENT CO. ("Lessor"), and THE KANSAS CITY SOUTHERN RAILWAY COMPANY ("Lessee"), with reference to the following:

1. Lessor has agreed to lease to Lessee, and Lessee has agreed to lease from Lessor, the Locomotives set forth on Schedule A attached hereto and incorporated herein by reference.

Each locomotive is fully-described in a certain Lease Agreement dated as of October 31, 2006, (together with all of the riders, schedules and other attachments thereto, collectively, the "Lease"), each between Lessor and Lessee.

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:**

**THE KANSAS CITY SOUTHERN RAILWAY  
COMPANY**

By: \_\_\_\_\_

Name: Arthur L. Shoener

Title: President & Chief Executive Officer

**LESSOR:**

**NATIONAL RAILWAY EQUIPMENT CO.**

By: \_\_\_\_\_

Name:

James M. Wurtz, Jr.

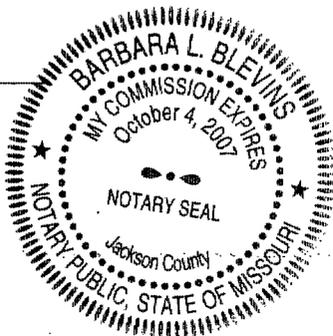
Title:

Vice President

STATE OF MISSOURI )  
 ) SS.  
COUNTY OF JACKSON )

On this 31st day of October, 2006, before me appeared Arthur L. Shoener, the person who signed this instrument who acknowledged that he is the President and Chief Executive Officer of **THE KANSAS CITY SOUTHERN RAILWAY COMPANY** and that, being duly authorized, (s) he signed such instrument as a free act on behalf of said corporation.

Barbara L. Blevins



Notary Public

[Seal]

My Commission Expires:  
\_\_\_\_\_

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

On this 3rd 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.

Robert E. Loewer, Jr.

Notary Public

[Seal]

My Commission Expires:  
\_\_\_\_\_



## SCHEDULE A

### LOCOMOTIVES

UNIT NO.	TYPE	GENERAL DESCRIPTION
NREX 8500	GE	B39-8 Four Axle
NREX 8503	GE	B39-8 Four Axle
NREX 8507	GE	B39-8 Four Axle
NREX 8508	GE	B39-8 Four Axle
NREX 8509	GE	B39-8 Four Axle
NREX 8512	GE	B39-8 Four Axle
NREX 8513	GE	B39-8 Four Axle
NREX 8514	GE	B39-8 Four Axle
NREX 8517	GE	B39-8 Four Axle
NREX 8520	GE	B39-8 Four Axle
NREX 8523	GE	B39-8 Four Axle
NREX 8528	GE	B39-8 Four Axle
NREX 8529	GE	B39-8 Four Axle
NREX 8532	GE	B39-8 Four Axle
NREX 8534	GE	B39-8 Four Axle
NREX 8538	GE	B39-8 Four Axle
NREX 8543	GE	B39-8 Four Axle
NREX 8545	GE	B39-8 Four Axle
NREX 8547	GE	B39-8 Four Axle
NREX 8551	GE	B39-8 Four Axle
NREX 8562	GE	B39-8 Four Axle
NREX 8564	GE	B39-8 Four Axle
NREX 8570	GE	B39-8 Four Axle
NREX 8571	GE	B39-8 Four Axle
NREX 8573	GE	B39-8 Four Axle
NREX 8581	GE	B39-8 Four Axle
NREX 8582	GE	B39-8 Four Axle
NREX 8584	GE	B39-8 Four Axle
NREX 8586	GE	B39-8 Four Axle
NREX 8587	GE	B39-8 Four Axle
NREX 8588	GE	B39-8 Four Axle
NREX 8589	GE	B39-8 Four Axle
NREX 8590	GE	B39-8 Four Axle
NREX 8599	GE	B39-8 Four Axle

**SCHEDULE "C"**

**SCHEDULE OF EQUIPMENT**

Lessor: NATIONAL RAILWAY EQUIPMENT CO.

Lessee: THE KANSAS CITY SOUTHERN RAILWAY COMPANY

Approved by: \_\_\_\_\_  
(Lessee to initial each page)

Attached to Bill of Sale dated:

Equipment Located at:

\_\_\_\_\_

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

Equipment Schedule No.: See Schedule "A"

Manufacturer and/or Vendor  
Name & Invoice Number

Equipment  
Description

National Railway Equipment Co.

Thirty-four (34) GE B39-8 Four Axle  
Locomotives as identified in Schedule "A"  
of the Locomotive Lease Agreement