

**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

July 26, 2007

Hon. Vernon A. Williams
Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

RECORDATION NO. 27101 FILED
JUL 30 07 4-34 PM
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 July 13, 2007, 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: Fort Worth & Western Railroad Company
6300 Ridglea Place
Suite 1200
Fort Worth, Texas 76116

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

One GP11 General Purpose Locomotive, bearing road # NREX 8748

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 \$35 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:

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

Sincerely Yours,

NATIONAL RAILWAY EQUIPMENT CO.

By: 
Kristina Buchthal

JUL 30 '07

4-34 PM

LOCOMOTIVE LEASE AGREEMENT**SURFACE TRANSPORTATION BOARD**

THIS LOCOMOTIVE LEASE AGREEMENT ("Lease"), entered into as of this 13th day of July 2007, between the National Railway Equipment Co., an Illinois corporation, ("LESSOR"), and Fort Worth & Western Railroad Company, ("LESSEE").

LESSOR AND LESSEE HEREBY AGREE AS FOLLOWS:**1. LEASE AND LEASED PROPERTY**

Lessee hereby leases from Lessor, the locomotive, ("Locomotive" or "locomotive"), together with the parts, accessories, attachments and devices, if any, now or hereafter affixed thereto, as described in Schedule "A" attached to and made part hereof.

2. TERM

The term of this Lease for each locomotive shall be the fixed term set forth in Schedule "A", commencing on the date such locomotive is accepted by Lessee ("Commencement Date"). In the event of default of the lease, Lessee shall affect prompt delivery of the locomotive to Lessor at its Mt. Vernon, Illinois manufacturing facility.

3. RENTAL

A. The rental payable shall be the sum identified in Schedule "A" payable in advance monthly installments, with one month of advance rent payable upon purchase order receipt date and, in addition, one month of advance payment to be held as a security deposit. Lessee shall operate such locomotive in service on its railroad. If the Commencement Date for any locomotive does not fall on the first day of the month, the first rental payment shall be prorated accordingly.

B. Payments past due for more than five (5) days shall bear interest at the rate of twelve percent (12%) per annum.

C. All rentals shall be paid to Lessor at:

National Railway Equipment Co.
1473 Paysphere Circle
Chicago, IL 60674

or at such other address as Lessor may direct in writing.

4. TAXES

Lessee shall pay all use, excise, ad valorem, stamp, documentary and similar taxes on or relating to this lease of the locomotive, or the use, registration, rental, maintenance, possession or operation thereof, and shall file any returns required therefor, and shall hold Lessor harmless against any liability and expense (including attorney fees and costs) on account of Lessee's failure to do the same.

If to Lessor: National Railway Equipment Co.
14400 S. Robey
Dixmoor, Illinois 60426

If to Lessee: Fort Worth & Western Railroad Company
6300 Ridglea Place
Suite 1200
Fort Worth, Texas 76116

WITNESS WHEREOF. the parties have executed this Lease the day and year first mentioned above.

LESSOR:

LESSEE:

NATIONAL RAILWAY EQUIPMENT CO.

FORT WORTH & WESTERN RAILROAD COMPANY

BY:

NAME:

James M. Wurtz, Jr.

TITLE:

Vice President

BY:

NAME:

STEVEN P. GEORGE

TITLE:

PRESIDENT

ATTEST:

Robert E. Loewer, Jr.

BY:

TITLE:

Director of Finance

ATTEST:

BY:

TITLE:

VP, Admin

(Corporate Seal)

(Corporate Seal)

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT is made and entered into as of July 13, 2007, by and between NATIONAL RAILWAY EQUIPMENT CO. ("Lessor"), and FORT WORTH & WESTERN RAILROAD COMPANY ("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 July 13, 2007, (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.

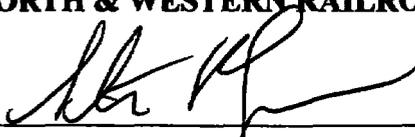
2. The Lease shall be effective as of the date hereof and shall be subject to the term specified in the Lease, and any extension of such term to the extent provided for in the Lease.

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:

FORT WORTH & WESTERN RAILROAD COMPANY

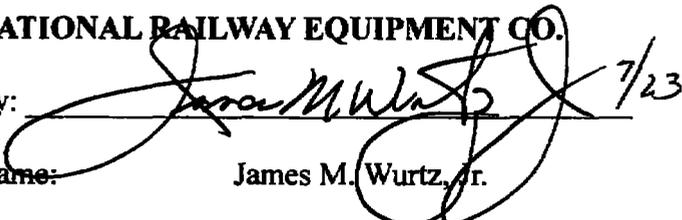
By: 

Name: STEVEN P. GEORGE

Title: PRESIDENT

LESSOR:

NATIONAL RAILWAY EQUIPMENT CO.

By:  7/23

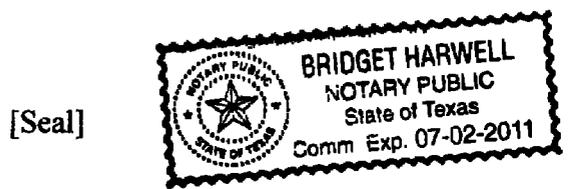
Name: James M. Wurtz, Jr.

Title: Vice President

STATE OF Texas)
COUNTY OF Tarrant) SS.

On this 19th day of July, 2007, before me appeared Steven P. George, the person who signed this instrument who acknowledged that (s) he is the President of Int North + Western Railroad and that, being duly authorized, (s) he signed such instrument as a free act on behalf of said corporation.

Bridget Harwell
Notary Public



My Commission Expires:
7-2-2011

STATE OF ILLINOIS)
COUNTY OF WILL) SS.
COOK

On this 23rd day of July, 2007, 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



My Commission Expires:

SCHEDULE OF EQUIPMENT

Lessor: NATIONAL RAILWAY EQUIPMENT CO.

Lessee: FORT WORTH & WESTERN RAILROAD 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 Mt. Vernon, Illinois

Equipment Schedule No.: See Schedule "A"

Manufacturer and/or Vendor
Name & Invoice Number

Equipment
Description

National Railway Equipment Co.

EMD GP11 General Purpose Locomotive
NREX 8748

SCHEDULE "A"

Attached to and incorporated into the Lease dated the 13th day of July, 2007 by and between the National Railway Equipment Co. (LESSOR) and Fort Worth & Western Railroad Company (LESSEE).

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

UNIT NO.	TYPE	GENERAL DESCRIPTION
NREX 8748	EMD	GP11 General Purpose Locomotive

**LEASE
TERM**

180 days to 365 days

COMMENCEMENT DATE: Upon ex-works shipment date of the locomotive from Lessor's Mt. Vernon, Illinois facility.