

**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

August 28 2008

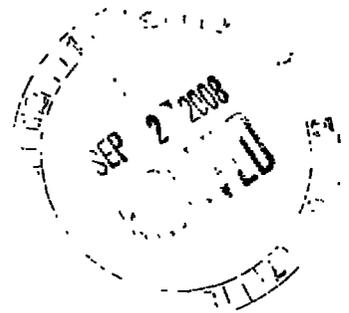
RECORDATION NO 27617 FILED

Hon. Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E. Street, SW
Washington, DC 20423-0001

SEP 02 '08

3-55 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 a schedule of equipment for a locomotive lease agreement dated April 10, 2008, a primary document under the Board's recordation regulations.

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

Lessor: National Railway Equipment Co.
14400 South. Robey St.
Dixmoor, IL 60416

Lessee: Panther Logistics, LLC
3103 21st Street
Camanche, IA 52730

A description of the covered equipment is as follows:

NREX 4265 NREC B23-7 (4 axle)

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

"Locomotive Lease Agreement"

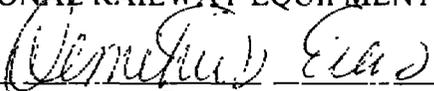
Also enclosed are checks amount totaling of forty-one (\$41.00) dollars made payable to the Surface Transportation Board to cover the required recordation fee for the attached agreement.

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

Demitrus Evans, Esq.
National Railway Equipment Co.
14400 South Robey Street
P.O. Box 2270
Dixmoor, IL 60426

Sincerely Yours,

NATIONAL RAILWAY EQUIPMENT CO.

By: 
Demitrus Evans

SEP 02 '08

3-55 PM

SURFACE TRANSPORTATION BOARD

LOCOMOTIVE LEASE AGREEMENT

KBG
10/20/08

THIS LOCOMOTIVE LEASE AGREEMENT ("Lease") entered into as of this 4th day of April 2008, between the National Railway Equipment Co., an Illinois corporation, ("LESSOR"), and Panther Logistics, LLC, an Iowa corporation ("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 Silvis, 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, two months 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.

5. OWNERSHIP AND LESSOR'S INSPECTION

- A. The locomotive shall at all times remain the sole and exclusive property of the Lessor.
- B. Upon reasonable notice to Lessee, Lessor or its agents shall have free access to the locomotive at reasonable times for the purpose of inspections.
- C. No accessions, additions, alterations or improvements to the locomotive of any nature shall be made without Lessor's consent, but if any are made, they immediately shall become part of the locomotive and shall become Lessor's property.
- D. Lessee shall keep the locomotive, at all times, free and clear from all claims, liens and encumbrances.
- E. This Lease is intended to be a true lease of the locomotive and shall be not be construed as creating a sale of the locomotive to Lessee.

6. DELIVERY/RETURN

Lessee shall accept delivery of the locomotive at Lessor's manufacturing facility in Silvis, Illinois. The lease billable days shall commence upon ex-works shipment of the locomotive at Lessor's manufacturing facility and shall cease upon locomotive rail shipment date by Lessee from its field project site. In the event of default, as set forth in Articles 12 and 13, Lessee shall return such locomotive to Lessor at its Silvis, Illinois manufacturing facility ("Inspection Location") in good order and condition, reasonable wear and tear excepted. Lessee shall bear freight outgoing and return costs. Lessee shall pay or reimburse Lessor for any reasonable and ordinary expenses incurred by Lessor in returning the locomotive to good order and condition, in delivering the locomotive to Lessor or effecting return of the locomotive from Lessee as provided herein. All obligations of Lessee under this Lease shall continue with respect to any locomotive not returned by the expiration or earlier termination as permitted herein until such locomotive is returned to the Inspection Location in accordance herewith, including, without limitation, the obligation to pay rent, which shall increase to 125% of such existing Lease Rate in Exhibit A for the first 45 days the locomotive is late and to 150% of such existing Lease Rate thereafter if the locomotive is not return accepted by Lessor at the Lessee's project site on/or before the expiration term of the Agreement as identified in Schedule A.

7. LESSEE'S INSPECTION/WARRANTY DISCLAIMER

- A.
 - i. Lessee hereby acknowledges that Lessee has had or will have the opportunity to inspect the locomotive prior to accepting delivery of same, and that acceptance of delivery of the locomotive by Lessee constitutes acknowledgment that they have been received in good condition and repair.
 - ii. Lessor shall not be responsible for any repairs or maintenance of the locomotive during the term of this Lease.
- B. Delivery to and acceptance of the locomotive by, and execution of a Schedule with respect thereto by Lessee shall constitute Lessee's acknowledgment that the locomotive is of the manufacture, design and utility, quality and capacity selected by the Lessee, that Lessee is satisfied that the same is suitable for Lessee's purpose. **LESSOR MAKES NO REPRESENTATION OR WARRANTY EXPRESS OR IMPLIED, WITH RESPECT TO THE CONDITION,**

MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF THE LOCOMOTIVE, and Lessor hereby disclaims all such representation and warranties. LESSOR SHALL NOT BE RESPONSIBLE FOR ANY CONSEQUENTIAL, INCIDENTAL OR INDIRECT DAMAGES.

8. USE AND MAINTENANCE

Lessee agrees that:

A. Lessee shall be responsible and pay for all registrations, certificates, and permits, and all other similar requirements of governmental authorities, whether required to be obtained in the name of the Lessor or Lessee.

B. The locomotive shall be used and operated only by properly qualified, trained and registered personnel authorized by Lessee.

C. Lessee shall comply with all federal, state, municipal and local laws, ordinances, and rules, and regulations relating to the lease, possession, insuring, use and operation of the locomotive.

D. Lessee shall be solely responsible for the payment of any and all fines, penalties or forfeitures (including without limitation the confiscation of the locomotive) levied upon or arising out of the use, operation, maintenance or insuring of the locomotive in violation of any law, ordinance, rule or regulation of any governmental authority.

E. Lessee shall pay all costs, expenses and charges incurred in connection with the maintenance, lease, use and operation of the locomotive.

F. Lessee shall maintain the locomotive in good mechanical condition and running order and in compliance with OEM specifications and safety rules and regulations now or hereafter promulgated by applicable governmental authorities.

G. Lessee shall keep and maintain any and all books and records and make any filings required by any governmental authority with respect to the possession, lease, use or operation of the locomotive.

9. INSURANCE/INDEMNIFICATION

A. The Lessee will at all times during the term of the Agreement, at its own expense, cause to be carried and maintained insurance in respect of the Locomotives in the full value described in Schedule A. Lessee shall have the right to be self insured with respect to the requirements of this paragraph.

B. Lessee shall furnish Lessor with a certificate(s) of insurance or other evidence of said insurance coverage.

C. Notwithstanding that Lessee shall provide certain insurance hereunder and irrespective of any responsibility for negligence, Lessee does hereby agree to defend, indemnify, protect and hold harmless Lessor and any assignees or successors of Lessor, and their respective employees and agents, from and against any and all losses, liabilities (including without limitation strict liability imposed by law), damages, injuries, claims, demands and expenses (including legal expenses) of

whatsoever kind and nature, resulting from or arising out of the use, condition, operation or ownership of any locomotive. This covenant of indemnity shall continue in full force and effect notwithstanding the termination of this lease or the termination of the lease of any locomotive.

D. Lessee assumes and agrees to indemnify, protect and hold free and harmless Lessor, any assignee or successor of Lessor, and their respective employees or agents, irrespective of any responsibility for negligence, from any loss, damage, theft or destruction of any locomotive. In the event of damage to a Locomotive, Lessee shall immediately place the same in good repair (ordinary wear and tear excepted). If Lessor, in the exercise of its reasonable judgment, determines that any item of Equipment is lost, stolen, destroyed, damaged beyond repair or rendered permanently unfit for use for any reason, or in the event of condemnation or seizure of a Locomotive, Lessee shall (at Lessee's option provided Lessee is not then in default under the Lease) (i) replace such locomotive with substantially similar equipment of equal or greater value and in good repair and transfer title thereto to Lessor free and clear of any all liens, claims and encumbrances of any kind or nature whatsoever, or (ii) pay Lessor in cash the sum of (a) any installments of rent and other amounts payable by Lessee hereunder with respect to such item due but unpaid at the date of such payment plus (b) the Replacement Value of such Locomotive determined in accordance with Schedule A. Upon payment of such amount to Lessor, such item shall become the property of Lessee, Lessor will transfer to Lessee, without recourse or warranty, all of Lessor's right, title and interest therein, the rent with respect to such item shall terminate, and the basic rental payments on the remaining items shall be reduced accordingly. Lessee shall pay any sales and use taxes due on such transfer.

E. If Lessee shall fail to obtain or maintain the insurance coverage required in this lease, or shall fail to furnish Lessor with evidence thereof, Lessor at its option, may obtain such required insurance coverage on behalf of Lessee and Lessee's expense.

10. ASSIGNMENT. THIS LEASE HAS BEEN COLLATERALLY ASSIGNED BY LESSOR TO LASALLE BANK NATIONAL ASSOCIATION (the "Bank"). Lessee expressly agrees that Lessor shall remain liable under this Lease to perform all of the conditions and obligations provided herein to be observed and performed by it, and neither the collateral assignment of this Lease to Bank by Lessor nor any action taken pursuant to such assignment shall cause Bank to be under any obligation or liability in any respect to any party to this Lease, including, without limitation, Lessee, for the performance or observance of any of the representations, warranties, conditions, covenants, agreements or other terms of this Lease. Notwithstanding any provision to the contrary herein, this Lease may not be amended or modified without the prior written consent of Bank. Lessee will not sell, assign, sublet or otherwise encumber or permit a lien arising through Lessee to exist on or against any interest in this Lease or the Locomotive.

11. MANDATORY PURCHASE / EARLY TERMINATION OPTIONS

So long as no Event of Default shall have occurred and be continuing, the Lessee shall purchase the locomotive on/or before the lease termination date in the amount as shown in Schedule A (defined as the mandatory buyout price). The funding for this purchase amount shall be transferred electronically to the account of the Lessor as defined in Article 3, Section 3 above on/or before the lease termination date. In the event of an early buyout by the Lessee, the purchase buyout amount will be determined by the Lessor and advised to the Lessee based upon: a) the replacement locomotive value as defined in Schedule A; b) a fixed implied interest rate and; c) the number of payments successfully executed by the Lessee at the time of the requested early buyout. There shall not be special administrative charges for an early buyout and/or pre-payment interest rate penalties associated with the early buyout option. If, however, Lessee fails to successfully transfer the

purchase buyout funds to the Lessor on/or before the termination date of the Agreement, Lessee shall be in default of the Agreement.

In the event Lessee opts to return the locomotive to Lessor prior to successfully executing the terms and conditions of the Agreement, Lessee shall be responsible for a minimum of 18 months of lease for the subject equipment.

12. DEFAULT

A. Lessee shall be in default under this Lease upon the happening of any of the following events or conditions ("Event of Default"):

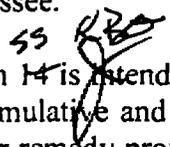
- i. Default in the payment when due of any installment of rental hereunder or of any other obligation for the payment of money now or hereafter owed by Lessee to Lessor.
- ii. Default in the timely performance of any other liability, obligation, covenant or agreement hereunder of Lessee.

13. REMEDIES UPON DEFAULT

A. Upon the occurrence of any Event of Default or at any time hereafter, Lessor, in its sole discretion, may take any one or more of the following actions with respect to the locomotive:

- i. Declare all unpaid amounts of rental to be immediately due and payable.
- ii. Terminate the lease of any or all locomotive by written notice to Lessee.
- iii. Whether or not the lease is terminated, take possession of any or all locomotive wherever found, and for this purpose Lessor may at Lessor's option enter upon the premises where such locomotive are located and take immediate possession of and remove the same, all without liability to Lessee for damage to property or otherwise.
- iv. Require that Lessee shall, upon written demand by Lessor and at Lessee's expense, promptly make available to Lessor at Lessee's expense, any or all Equipment at places designated by Lessor, which is reasonably convenient to both parties.
- v. Use, hold, sell, lease or otherwise dispose of any or all such locomotive as Lessor in its sole discretion may decide, without affecting the obligations of Lessee as provided in this Lease.
- vi. Sell or lease any or all locomotive, at public or private sales or proceedings, at such time or times and upon such terms as Lessor may determine, free and clear of any rights of Lessee and, if notice thereof is required by applicable law, any notice in writing of any such sale or Lease by Lessor to Lessee not less than five (5) days prior to the date thereof shall constitute reasonable notice to Lessee.
- vii. Proceed by appropriate action either at law or in equity to enforce performance by Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof or to rescind the lease hereunder of any or all locomotive.
- viii. Exercise any and all rights and remedies available to Lessor under any applicable law. In

addition, Lessee shall be charged with and shall pay to Lessor all reasonable costs and expenses of Lessor incurred as a result of each Event of Default by Lessee.

55 ~~14~~ 
B. None of the rights and remedies under or referred to in this paragraph ~~14~~ is intended to be exclusive, but each such right or remedy shall as to each locomotive be cumulative and may be availed of separately or concurrently with or in addition to any other right or remedy provided or referred to herein or otherwise available to Lessor at law or in equity. Any repossession or subsequent sale or lease by Lessor of any locomotive shall not bar an action against lessee for a deficiency. To the extent permitted by applicable law, **LESSEE WAIVES ANY AND ALL RIGHTS TO NOTICE AND TO A JUDICIAL HEARING WITH RESPECT TO THE REPOSSESSION OF EQUIPMENT BY LESSOR AS A RESULT OF ANY EVENT OF DEFAULT HEREUNDER BY LESSEE.**

C. Without limitation of any rights of Lessor otherwise existing or otherwise available to Lessor, it is expressly covenanted and agreed by the parties hereto that in the event of any assignment by operation of law of this Lease or of any lease hereunder, or of a bankruptcy of Lessee within the meaning of the Federal Bankruptcy Act, then Lessor may, at Lessor's election, terminate this Lease or any one or more leases hereunder.

14. RECORDATION OF LESSOR'S INTEREST

Lessee agrees to execute all recording documents requested by Lessor to show Lessor's interest in the locomotive. Lessee further authorizes Lessor to execute and file financial statements or other documents evidencing Lessor's interest in the locomotive without Lessee's signature.

15. MISCELLANEOUS

A. This Lease and all rights and obligations hereunder shall be governed by and construed in accordance with the laws of the State of Illinois.

B. Neither this Lease nor any schedule shall be amended, and no provision hereof or of any Schedule shall be waived or varied unless by a writing signed by the parties.

C. No delay or omission by Lessor in exercising any right hereunder shall operate as a waiver of such right or any other right. A waiver by Lessor of any Event of Default by Lessee shall not be construed as a waiver of any future occasion.

D. In case any provision (or portions thereof) in this Lease shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions (or portions thereof) hereby shall not in any way be affected or impaired thereby.

E. This Lease shall be binding upon and inure to the benefit of Lessor and Lessee and their respective successors.

F. All notices permitted or required to be given pursuant to this Lease shall be mailed by Certified or Registered Mail, Return Receipt Requested to the parties at the following addresses or at such other addresses as each party may notify the other.

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

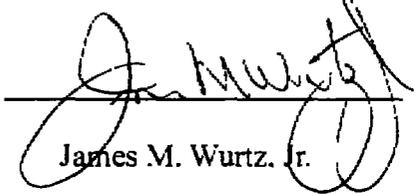
If to Lessee: Panther Logistics, LLC
3103 21st Street
Camanche, IA 52730

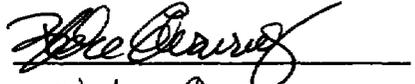
WITNESS WHEREOF, the parties have executed this Lease the day and year first mentioned above.

LESSOR:

LESSEE:

NATIONAL RAILWAY EQUIPMENT CO. PANTHER LOGISTICS, LLC

BY: 
NAME: James M. Wurtz, Jr.
TITLE: Vice President

BY: 
NAME: Blake Gusaway
TITLE: President

ATTEST: Robert E. Loewer, Jr.
BY: 
TITLE: Director of Finance

ATTEST:
BY: _____
TITLE: _____

(Corporate Seal)

(Corporate Seal)

SCHEDULE "A"

Attached to and incorporated into the Lease dated the ¹⁰4th day of April, 2008 by and between the National Railway Equipment Co. (LESSOR) and Panther Logistics, LLC (LESSEE).

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

UNIT NO.	TYPE	GENERAL DESCRIPTION
4265 NREX TBA	NREC	General Electric B23-7 Four Axle

LEASE RATE

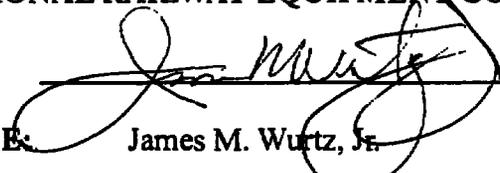
REPLACEMENT VALUE	LEASE TERM	LEASE RATE PER LOCOMOTIVE
		<u>MONTHLY</u> <u>DAILY</u>

MANDATORY LOCOMOTIVE BUYOUT TERM: At the end of the successful execution of the three year initial lease term, Lessee shall complete ownership of the locomotive by providing Lessor a finalized payment of _____ er locomotive on/or before the termination date.

COMMENCEMENT DATE: Upon ex-works shipment of the locomotive from Lessor's manufacturing facility in Silvis, Illinois.

Lessee agrees to pay the first month of rent with the execution of the Locomotive Lease Agreement and, in addition, two months of advance payment to be held as a security deposit.

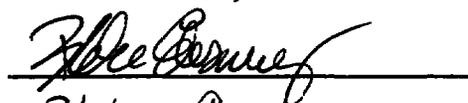
LESSOR: NATIONAL RAILWAY EQUIPMENT CO.

BY: 

NAME: James M. Wurtz, Jr.

TITLE: Vice President

LESSEE: PANTHER LOGISTICS, LLC

BY: 

NAME: Blake Gasaway

TITLE: President

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT is made and entered into as of April 4, 2008, by and between NATIONAL RAILWAY EQUIPMENT CO. ("Lessor"), and PANTHER LOGISTICS, LLC ("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 April 4, 2008. (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.

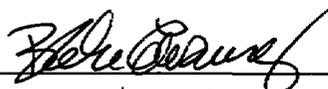
2. The Lease shall be effective as of the date hereof and shall be subject to the term specified in the Lease, and any extension of such term to the extent provided for in the Lease.

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.

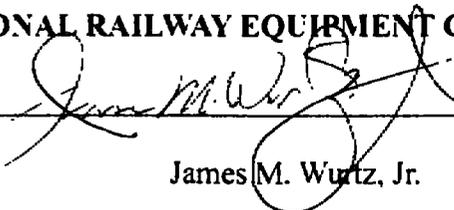
LESSEE:

PANTHER LOGISTICS, LLC

By: 
Name: Blake Gasaway
Title: President

LESSOR:

NATIONAL RAILWAY EQUIPMENT CO.

By: 
Name: James M. Wurtz, Jr.
Title: Vice President

STATE OF Iowa)
COUNTY OF Clinton) SS.

On this 9 day of April, 2008, before me appeared Blake Gaseway the person who signed this instrument who acknowledged that (s) he is the President of Panther Logistics and that, being duly authorized, (s) he signed such instrument as a free act on behalf of said corporation.

Mary Hartman

Notary Public



My Commission Expires:

6-28-08

STATE OF ILLINOIS)
COUNTY OF COOK) SS.

On this 30th day of April, 2008, 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:

