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URBAN A. LESTER

20152

JUN 26 1996 4:23 PM

JUN 26 12 22 PM '96

RECEIVED
SURFACE TRANSPORTATION
BOARD

June 26, 1996

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies of a Promissory Note and Schedule to Master Equipment Loan and Security Agreement, dated as of June 18, 1996, a primary document as defined in the Board's Rules for the Recordation of Documents.

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

Borrower: Livingston Rebuild Center, Inc.
704 E. Gallatin
Livingston, Montana 59407

Lender: First Security Leasing Company
381 East Broadway
Salt Lake City, Utah 84111

A description of the railroad equipment covered by the enclosed document is:

seven (7) locomotives bearing reporting marks and road numbers LRCX 8107, LRCX 8108, LRCX 8112, LRCX 8113, LRCX 8115, LRCX 8116, LRCX 8121

Counters - Galt

Mr. Vernon A Williams
June 26, 1996
Page 2

Also enclosed is a check in the amount of \$21 00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "R. Alvord", with a long horizontal flourish extending to the right.

Robert W. Alvord

RWA/bg
Enclosures

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20427-0001

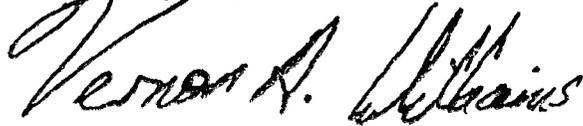
6/26/96

Robert W. Alvord
Alvord And Alvord
918 Sixteenth Street, NW, Ste. 200
Washington, DC., 20006-2973

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 6/26/96 at 12:25PM, and assigned recordation number(s). 20152.

Sincerely yours,

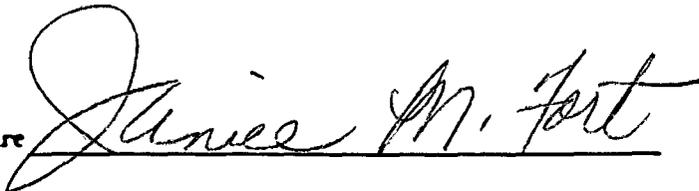


Vernon A. Williams
Secretary

Enclosure(s)

\$ 21.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



FIRST SECURITY LEASING COMPANY

PROMISSORY NOTE AND SCHEDULE TO
MASTER EQUIPMENT LOAN AND SECURITY AGREEMENT

RECORDED IN 20152
JUN 26 1996 7:55 PM

This Promissory Note and Schedule to Master Equipment Loan and Security Agreement (the "Note and Schedule") is entered into pursuant to the Master Equipment Loan and Security Agreement between the signatories hereof dated as of June 18, 1996 (herein referred to separately as the "Master" and together with each Note and Schedule thereunder as the "Agreement") and constitutes a separate loan (the "Loan") hereunder.

All terms and conditions of the Master are incorporated herein and made a part hereof. Lender and Borrower hereby reaffirm on and as of the date hereof all terms, representations and warranties contained in the Master

A. Description of Equipment

Quantity	Vendor	Description	ID or Serial #	New or Used	Invoice or Purchase Price
7		(LRCX 817 LOCOMOTIVES 6E C-30-7 CLASS 8009 320 H/P DIESEL ELECTRIC SERIAL #'S LRCX 8107, LRCX 8108, LRCX 8112, LRCX 8113, LRCX 8115, LRCX 8116, LRCX 8121		Used	\$200,000.00

TOTAL EQUIPMENT VALUE. \$ 200,000.00

B. Commitment Amount. The maximum amount of total advances shall be \$ 200,000.00

C. Closing Date. There shall be no advances after _____ (the "Closing Date")

D. Loan Origination Fee. The loan origination fee shall be N/A percent of each advance.

E. Promise To Pay. For value received, Borrower promises to pay to Lender, or to its order, the total principal outstanding hereunder together with interest in lawful money of the United States of America on the following terms:

1. There shall be one payment of any accrued interest due on the Closing Date. Thereafter, payments of principal and interest in the amount of \$ 4,250.00 (subject to change if the full Commitment Amount is not advanced or if the interest rate if variable) shall be due monthly and on the same day of each Month thereafter with the final payment plus a balloon payment of \$ 0.00 due on _____.

2. The amount of each payment due after the Closing Date shall be computed by assuming that all remaining payments (except any balloon payment) will be in equal amounts, that such remaining payments together with the balloon payment, if any, will fully amortize the then outstanding principal balance, and that the then effective interest rate will apply to all remaining payments

3. Interest on the outstanding balance shall be calculated as follows:

Fixed Rate

10.00 percent per annum

Variable Rate (initial rate of _____ percent per annum):

The variable rate under this section (the "Variable Rate") shall equal _____% (the "Incremental Rate") above the base rate on corporate loans at large U.S. money center commercial banks as quoted in *The Wall Street Journal* (the "Prime Rate") provided that the Variable Rate shall not exceed _____% or be less than _____%. The Variable Rate shall change on the day following any Payment Date on which the Prime Rate shall be different than that used to compute the Variable Rate effective through such Payment Date, except that if payments are due other than monthly, the Variable Rate shall change on the first day of each month. Changes in the Variable Rate shall occur without prior notice. Notwithstanding the foregoing, if at any time there exists an Event of Default, the Incremental Rate shall be increased at all times thereafter by an additional one percent (1%).

4. The actual interest to be charged under this Note shall be calculated on the outstanding balance on the basis of a 360-day year of twelve 30-day months. Should any rate of interest as calculated hereunder exceed that allowed by law, the applicable rate of interest will be the maximum rate of interest lawfully allowed. The principal amount outstanding on which the interest rate shall be charged shall be determined from the records of Lender, which shall at all times be conclusive.

5. Payments will be applied to accrued interest, unpaid principal and any other obligations of Borrower under the Agreement in any order at Lender's option

F. Location. The Collateral shall be located at

Address: 704 E. GALLATIN LIVINGSTON, MT 59407

County: _____ State: MONTANA

If required, the Collateral will be registered in MT.

G. Additional Security. Concurrently with the execution hereof, Borrower shall deliver to Lender the sum of \$ N/A as additional security which Lender may use to satisfy any amounts due and unpaid under the Agreement at any time. Borrower hereby grants Lender a security interest in such sum. Any unused portion of such sum will be returned to Borrower without interest upon payment of all amounts then due and owing to Lender. Borrower shall also provide such other additional security as may be agreed upon by Lender and Borrower

FIRST SECURITY LEASING COMPANY
PROMISSORY NOTE AND SCHEDULE TO
MASTER EQUIPMENT LOAN AND SECURITY AGREEMENT

H. Insurance.

The minimum amount of insurance to be provided by Borrower shall be as follows:

1. Physical Damage and Loss: \$ 200,000.00
2. Additional riders, exclusions or special terms required by Lender NA

I. Other Terms.

None

IN WITNESS WHEREOF, Lender and Borrower have caused this Note and Schedule to be duly executed on behalf of each of them on this 18 day of June, 19 96.

LENDER:
FIRST SECURITY LEASING COMPANY

By: Donna McDaniel

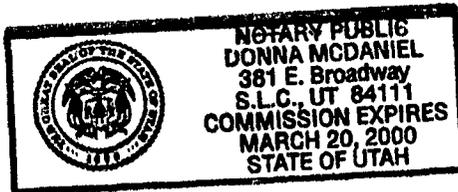
Its: Authorized Representative
Address: % First Security Leasing Company
381 East Broadway
Salt Lake City, Utah 84111

BORROWER

LIVINGSTON REBUILD CENTER, INC.
a(n) Montana Corporation

By: Randy Peterson
Its: President

Borrower's Address
704 E GALLATIN LIVINGSTON, MT 59407
Borrower's Federal Employer ID or Social Security Number. 81-0450947



I CERTIFY THIS TO BE A TRUE AND CORRECT COPY OF THE ORIGINAL.

Donna McDaniel

a(n) _____

By: _____
Its: _____
Address: _____

Federal Employer ID or Social Security Number: _____

a(n) _____

By: _____
Its: _____
Address: _____

Federal Employer ID or Social Security Number: _____

a(n) _____

By: _____
Its: _____
Address: _____

Federal Employer ID or Social Security Number: _____