

ALVORD AND ALVORD
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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)
ROBERT W. ALVORD (2011)

April 28, 2014

Chief
Section of Administration
Office of Proceedings
Surface Transportation Board
395 "E" Street, S.W.
Washington, D.C. 20423

Dear Section Chief:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Schedule to Master Equipment Financing Agreement, dated as of April 17, 2014, 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:

Creditor: Bank of the West
3460 W 38 Ave
Denver, Colorado 80211

Debtor: Frontier Rail Corporation
499 Railex Road
Burbank, Washington 99323

Chief, Section of Administration
April 28, 2014
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A description of the railroad equipment covered by the enclosed document is:

3 locomotives: ARR 2803, ARR 2806 and ARR 2807.

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

Schedule to Master Equipment Financing Agreement.

Also enclosed is a check in the amount of \$44.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink that reads "Edward M. Luria". The signature is written in a cursive style with a large, stylized "E" and "L".

Edward M. Luria

EML/bhs
Enclosures



Schedule No. 100-0644383-001
 to Master Equipment Financing Agreement
 between Bank of the West as Creditor,
 and Frontier Rail Corporation as Debtor,
 dated as of April 17, 2014 (the "Agreement")

Creditor and Debtor acknowledge that the Items of Equipment described in this Schedule are subject to the terms and conditions of the Agreement and that following such description are the advance respecting said Items, the installment payments with respect thereto, any deposit provided or to be provided in connection therewith, the Equipment Location thereof, and certain other provisions applicable thereto. Debtor represents to Creditor that this Equipment has been delivered to, is now in the possession of and has been accepted by Debtor for all purposes of the Agreement and is correctly described herein. DEBTOR UNDERSTANDS THAT UPON CREDITOR'S ACCEPTANCE OF THIS SCHEDULE CREDITOR WILL FUND THE ADVANCE RESPECTING THIS EQUIPMENT AND FURTHER THAT SUCH ACCEPTANCE WILL COMMENCE DEBTOR'S INSTALLMENT PAYMENT OBLIGATION UNDER THE AGREEMENT AS TO THIS EQUIPMENT. DEBTOR REAFFIRMS THAT THE AGREEMENT INVOLVES SOLELY A FINANCING UNDER WHICH CREDITOR IS A LENDER WHICH MAKES NO WARRANTIES OR REPRESENTATIONS AS TO THIS EQUIPMENT.

1. **Equipment Description:** See Schedule A attached hereto and incorporated herein.
2. **Equipment Advance:** \$480,000.00
3. **Installment Payments:** Creditor's advance shall be repayable as follows: 84 payments in the amount of \$6,728.03 with the first payment due June 1, 2014 and subsequent payments payable on the 1st day of each succeeding month, together with an interim installment payment of \$63.33 per day from the funding date to the commencement of the initial payment period. These payments may be adjusted based on any difference between the "Index" as of the date of this Schedule and the Index as of the date Creditor makes the Equipment Advance. For these purposes the Index is Creditor's internally prepared "Daily Fixed Price Indication Rate" for the Agreement term and structure applicable to this Schedule.
4. **Deposit:** Not Applicable
5. **Equipment Location:** 499 Railex Road
BURBANK, WA 99323
6. **Implicit Actuarial Rate:** 4.75%
7. **Equipment Advance:** Debtor acknowledges that Creditor will advance the Equipment Advance as follows:

\$478,250.00	Frontier Rail Corporation
\$500.00	Documentation/Processing fee due Bank of the West
\$1,250.00	STB Filing / Alvord Law
\$480,000.00	TOTAL DISBURSEMENT

8. **Other Provisions:** Intentionally left blank.

9. **Documentation/Processing Fee:** \$500.00

ACCEPTED AND APPROVED AS OF April 17, 2014 as a Schedule to and made a part of the Agreement.

I certify that I hold the title set forth below, that this instrument was signed on behalf of Frontier Rail Corporation (Corporation) by authority of its board of directors and that I acknowledge that the execution of the foregoing instrument was the free act and deed of Frontier Rail Corporation (Corporation). I further declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Frontier Rail Corporation

Debtor

By: 

Name: Paul Didelius

Title: President

I certify that I hold the title set forth below, that this instrument was signed on behalf of Bank of the West (Corporation) by authority of its board of directors and that I acknowledge that the execution of the foregoing instrument was the free act and deed of Bank of the West (Corporation). I further declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Bank of the West
Creditor

By: 

Name: JERRY HOLMES

Title: VICE PRESIDENT

NOTICE TO THE DEBTOR: DO NOT SIGN UNLESS ALL ITEMS OF EQUIPMENT ARE ACCEPTABLE FOR ALL PURPOSES OF THE AGREEMENT. IF ANY ITEMS ARE UNACCEPTABLE, NOTIFY CREDITOR PROMPTLY. CREDITOR'S OBLIGATIONS TO ACCEPT THIS SCHEDULE, NOTWITHSTANDING ITS PRIOR DATING, ARE TERMINABLE AS OF ANY COMMITMENT EXPIRATION WHICH MAY APPLY.

IMPORTANT INFORMATION REGARDING OBTAINING AN EXTENSION OF CREDIT

To help the Federal Government fight the funding of terrorism and money laundering activities, Federal Law requires all financial institutions to obtain, verify and record certain information that identifies each person/entity who obtains an extension of credit from the institution.

When you obtain the extension of credit, we will ask for your name, street address, taxpayer identification number or alien identification number as applicable; date of birth (individual applicants and sole proprietors only); and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying document.



SCHEDULE A

EQUIPMENT DESCRIPTION

This Schedule A is incorporated into Schedule No. 100-0644383-001 to Master Equipment Financing Agreement between Bank of the West ("Creditor") and Frontier Rail Corporation("Debtor"), dated as of April 17, 2014 (the "Agreement").

Equipment:

Make	Model	Locomotive #	Engine Serial #	VIN #	Mfg Date	Mark at Purchase Date
EMD	GP-49	2803	83-12-1025	490	1983	ARR
EMD	GP-49	2806	85-02-1007	492	1985	ARR
EMD	GP-49	2807	85-02-1009	495	1985	ARR

Together with all replacements, parts, repairs, additions, accessions and accessories incorporated therein or affixed or attached thereto and any and all proceeds of the foregoing, including, without limitation, insurance recoveries.

Equipment Location:
499 Railex Road
BURBANK, WA99323

Equipment Cost: \$480,000.00

Debtor Initials: FD

CERTIFICATION

I, Edward M. Luria, an attorney licensed to practice in the District of Columbia, the State of Delaware and the Commonwealth of Pennsylvania, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: April 28, 2014

Edward M Luria

Edward M. Luria