

RECORDATION NO. 21026 FILED

NOV 25 '97 11-55 AM

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RECORDATION NO. 21026-A, B, C, D FILED

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RECEIVED
SURFACE TRANSPORTATION BOARD
NOV 25 11 54 AM '97

November 25, 1997

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 Master Equipment Lease Agreement, dated as of June 28, 1996, a primary document as defined in the Board's Rules for the Recordation of Documents and two (2) copies of the following secondary documents related thereto: Lease Schedule, dated June 28, 1996; Locomotive Lease (Sublease), dated December 11, 1996; First Addendum to Locomotive Lease, dated August 4, 1997; and Assignment Agreement, dated August 20, 1997.

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

A → Master Equipment Lease Agreement
and Lease Schedule

Lessor: First Security Leasing Company
381 East Broadway
2nd Floor
Salt Lake City, Utah 84111

Lessee: Nevada Industrial Switching, Inc.
45 West University
Suite A
Mesa, Arizona 85201

Country Partners

Mr. Vernon A. Williams
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Locomotive Lease (Sublease) and
First Addendum to Locomotive Lease

Lessor: Nevada Industrial Switching, Inc.
45 West University, Suite A
Mesa, Arizona 85201

Lessee: Formosa Plastics Corporation, Texas
201 Formosa Drive
Point Comfort, Texas 77978

Assignment Agreement

Assignor: Nevada Industrial Switching, Inc.
45 West University, Suite A
Mesa, Arizona 85201

Assignee: First Security Leasing Company
381 East Broadway, 2nd Floor
Salt Lake City, Utah 84111

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

four (4) SW-10 locomotives: NIS 1261, NIS 1262, NIX 1263 and NIS 1268

Also enclosed is a check in the amount of \$120.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of each of the enclosed documents to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/bg
Enclosures

NOV 25 '97 11-55 AM

Lease No. 025-3003235

FIRST SECURITY LEASING COMPANY
**LEASE SCHEDULE TO
 MASTER EQUIPMENT LEASE AGREEMENT**

This Lease Schedule to Master Equipment Lease Agreement (the "Lease Schedule") is entered into pursuant to the terms of the Master Equipment Lease Agreement (the "Agreement") between the signatories hereof dated June 28, 1996 and constitutes a separate lease (the "Lease") thereunder.

All the terms and conditions of the Agreement are hereby incorporated herein and made a part hereof as if such terms and conditions were set forth in this Lease Schedule at length and all capitalized terms not otherwise defined in this Lease Schedule shall have the meaning set out in the Agreement. By their execution and delivery of this Lease Schedule Lessor and Lessee hereby reaffirm on and as of the date hereof all the terms, conditions, agreements, representations and warranties contained in the Agreement. A copy of the signed Agreement attached to the Lease Schedule, which attachment shall adopt the copied signatures on the Agreement as of the date of the Lease Schedule, shall constitute an original lease. A copy of the Agreement and the Lease Schedule shall alone constitute the chattel paper for purposes of perfecting a security interest.

A) Description of Equipment

Quantity	Vendor	Description	ID or Serial #	New or Used	Invoice Purchase Price
1	Mid-Am Equipment, Inc.	(4) LOCOMOTIVES EMD, SW-10, 1200 HP, SWITCHERS, RECONDITIONED AND PAINTED. NIS 1261 (FORMERLY UP 1261) NIS 1262 (FORMERLY UP 1262) NIS 1268 (FORMERLY UP 1268) NIS 1263 (FORMERLY UP 1263)		Used	\$420,000.00

TOTAL INVOICE PURCHASE PRICE: \$ 420,000.00

B) Term. 60 months.

C) Rental.

- 1. Monthly Quarterly Semiannually Annually
- 2. Advance Arrears
- 3. Rental Payment Dates: November 8, 19 97, and on the same day of each Month with the final payment on October 8, 2002.
- 4. Basic Rental in an amount equal to 0.019961 of the total invoice purchase price of all Items is payable on each Rental Payment Date.
- 5. Interim Rental in an amount equal to N/A of the invoice purchase price for each Item for each day from and including the date of acceptance for such Item to but excluding the first Rental Payment Date will be payable on the first Rental Payment Date.

D) Residual Value. 10.00% of the invoice purchase price of each item.

E) Location. The Equipment shall be located at:
 Address: 201 FORMOSA DRIVE POINT COMFORT, TX 77978
 County: CALHOUN

If required, the Equipment will be registered in _____.

F) Security Deposit. Concurrently with the execution hereof Lessee shall deposit with Lessor the sum of N/A as a security deposit which Lessor may use to satisfy any unpaid late charges, recording fees or other amounts due and unpaid. Any unused portion of the deposit will be returned to Lessee without interest upon expiration or earlier termination of the Lease and upon payment of all sums then due and owing to Lessor, or Lessee may, at its option, apply the unused balance of the security deposit toward the last Rental payment.

G) Insurance. The minimum amount of insurance to be provided by Lessee as required under the terms of the Agreement shall be as follows:

- 1. Liability:
 \$ 1,000,000.00 each individual
 \$ 1,000,000.00 each accident
 \$ 1,000,000.00 property damage liability
- 2. Physical Damage and Loss: \$ 420,000.00
- 3. Additional riders, exclusions or special terms required by Lessor: NA.

H) Certificate of Acceptance.

Lessee, having entered into the Agreement and the Lease Schedule does hereby certify to Lessor that as to the Equipment listed in Section A of the Lease Schedule or any Exhibit attached and incorporated to the Lease Schedule:

- 1. The Equipment is of a size, design, capacity and manufacture selected by Lessee, is in good condition and has been satisfactorily delivered and installed. Lessee hereby expressly assumes all responsibilities in connection with the delivery and installation thereof;
- 2. Lessee is satisfied that the Equipment is suitable for Lessee's purposes;
- 3. Unless otherwise indicated, the Equipment is new and unused on the date hereof except for routine testing and inspection;
- 4. Upon payment of the Invoice Purchase Price(s) to the Vendor(s) indicated there will be no liens, security interests or encumbrances against the Equipment except the interest of Lessee under the Agreement;
- 5. There exists no Event of Default or condition which, but for the passing of time or giving of notice or both, would constitute an Event of Default under the Agreement; and
- 6. The Equipment is personal property and will not become either real property, fixtures or inventory.

I) Other Terms.

See Assignment Agreement attached/exhibit "A". Foreign use of equipment is prohibited.

Lease No. 025-3003235

FIRST SECURITY LEASING COMPANY

LEASE SCHEDULE TO
MASTER EQUIPMENT LEASE AGREEMENT

IN WITNESS WHEREOF, Lessor and Lessee have caused this Lease Schedule to be duly executed on behalf of each of them on August 20, 1997 and the signatories warrant their authority to bind principals.

LESSEE:

NEVADA INDUSTRIAL SWITCHING, INC.

a(n) Nevada Corporation

BY: *Robert G. Schmed*

ITS: *President*

Address: 45 WEST UNIVERSITY, STE A

MESA, AZ 85201

Federal ID or Social Security Number: 88-0287830

LESSOR:

FIRST SECURITY LEASING COMPANY

By: *[Signature]*

Its: Brian C. Stegall, AVP, Authorized Representative

Address: c/o First Security Leasing Company

381 East Broadway, 2nd Floor

Salt Lake City, Utah 84111

By: *[Signature]*

Steven W. Harris

Its: Vice President