



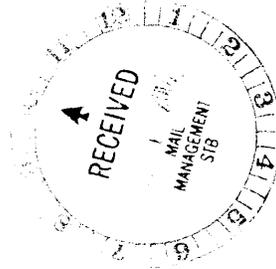
RAYMOND & PROKOP, P.C.
ATTORNEYS AND COUNSELORS

• James P. Maher

26300 Northwestern Highway, 4th Fl. (248) 357-3010
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Southfield, Michigan 48086-5058
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jmaher@raypro.com

March 6, 2001

Vernon A. Williams
**SECRETARY OF THE SURFACE
TRANSPORTATION BOARD**
1925 K Street N.W.
Washington, DC 20423-0001



VIA FEDERAL EXPRESS

RECORDATION NO. 23417 FILED

MAR 21 '01 4-43 PM

TS
SURFACE TRANSPORTATION BOARD

Dear Mr. Secretary:

I have enclosed an original (in duplicate) of the documents described below to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

1. Primary Documents: Security Agreement between Bank One, Michigan, 500 Town Center Drive, Suite 350, Dearborn, Michigan 48126 ("Secured Party") and FCM Rail, Ltd., 7255 East Baldwin Road, Grand Blanc, Michigan 48439 ("Debtor") dated February 26, 2001. Included in the property covered by the aforesaid Security Agreement are railroad cars and other rolling stock intended for use related to interstate commerce, or interest therein, owned by FCM Rail, Ltd. or its successors, at the date of said Security Agreement.
2. Secondary Documents: Assignment of Lease between FCM Rail, Ltd., 7255 East Baldwin Road, Grand Blanc, Michigan 48439 ("Assignor") and Bank One, Michigan, 500 Town Center Drive, Suite 350, Dearborn, Michigan 48126 ("Assignee") dated February 26, 2001. Included in the property covered by the aforesaid Assignment of Lease are railroad cars and other rolling stock intended for use related to interstate commerce, or interest therein, owned by FCM Rail, Ltd. or its successors, at the date of said Assignment of Lease. PLEASE CROSS INDEX THIS DOCUMENT.

The names and addresses of the parties to the documents are as follows:

1. Bank One, Michigan, 500 Town Center Drive, Suite 350, Dearborn, Michigan 48126, as Secured Party and Assignee.
2. FCM Rail, Ltd. 7255 East Baldwin Road, Grand Blanc, Michigan 48439, as Debtor and Assignor.

Enclosed please also find a description of the equipment covered by the documents, a fee of \$54.00 and a short summary of the documents to appear in the index ("Index Summary").



RAYMOND & PROKOP, P.C.
ATTORNEYS AND COUNSELORS

Vernon A. Williams
March 6, 2001
Page 2

After recorded, please return one original to the undersigned at the above referenced address.

Should you have any questions or concerns in this regard, please do not hesitate to contact me.

Very truly yours,

RAYMOND & PROKOP, P.C.

A handwritten signature in black ink, appearing to read 'James P. Maher', is written over a circular stamp or seal. The signature is fluid and cursive.

James P. Maher

JPM>vfd
Enclosures

cc: David Frauenheim, Vice President (*w/enclosures*)
Randall L. Harbour, Esquire (*w/o enclosures*)

INDEX SUMMARY

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Lessee	Schedule	Equipment Description	Serial Number	Location	Cost	Lease Terms	Monthly Payment	Purchase Option
Alaska Railroad Company	A-25	American Model B40DEH Locomotive						
Amtrak	A-1	Crane - 1981	L4291	Alaska	\$399,000.00	24 Months	\$30,000.00	\$141,000.00 or Extend
Amtrak	A-1	Jackson 2400 Tamper - 2000	153085	Texas	\$101,701.00	60 Months	\$2,225.00	\$1.00
Amtrak	A-2	KKI KBR-900 Regulator - 1999	033-900-99	Delaware	\$199,410.00	24 Months	\$9,450.00	\$1.00
Amtrak	A-2	KKI KBR-900 Regulator - 1999	034-900-99	Delaware	\$199,410.00	24 Months	\$9,450.00	\$1.00
RailWorks Annex	A-3	Jackson 2400 Tamper - 2000	153093	Indiana	\$119,424.00	36 Months	\$2,620.00	FMV
RailWorks Annex	A-3	Jackson 900 Tamper - 2000	152999	Indiana	\$95,104.00	36 Months	\$2,090.00	FMV
RailWorks Annex	A-1	Nordco Model C Spiker - 1999	410235	Indiana	\$183,665.00	60 Months	\$3,200.00	FMV
Bangor & Aroostook Railroad (3)	A-17	Jackson 925 Tie Ex/Inst. - 1966	137146	Iowa	\$80,800.00	Payment 41	\$2,628.00	\$1.00
BNSF	A-17	Petibone Speed Swing - 1995	3079	Missouri	\$141,034.00	Payment 61	\$2,475.00	FMV
BNSF (1)	A-18	Jackson 6700 Tamper - 1999	152720	Missouri	\$328,000.00	60 Months	\$5,466.00	FMV
C & G Scaffolding	A-1	HTT Mark IV Tamper - 1999	7191769	Massachusetts	\$402,530.00	60 Months	\$9,050.00	\$1.00
HTT/KCS	A-1	RMC305B2-31 Tie Insert - 2000	257488	Missouri	\$175,000.00	36 Months	\$4,452.00	SOLD
HTT/KCS		W96F1-28 Spiker - 2000	257418	Missouri	\$190,000.00	37 Months	\$4,974.00	SOLD
HTT/KCS		W96F1-31 Spiker - 2000	257453	Missouri	\$190,000.00	36 Months	\$4,974.00	SOLD
HTT/UP	17013	Tie Plugger - 2000	609 1270 12K	Nebraska	\$65,900.00	36 Months	\$2,250.00	\$10,000.00
HTT/UP	17013	Tie Plugger - 2000	609 1280 12K	Nebraska	\$65,900.00	36 Months	\$2,250.00	\$10,000.00
HTT/UP	17014	Tie Plugger - 2000	609 1290 12K	Nebraska	\$65,900.00	36 Months	\$2,250.00	\$10,000.00
HTT/UP	17014	Tie Plugger - 2000	609 1300 12 K	Nebraska	\$65,900.00	36 Months	\$2,250.00	\$10,000.00
HTT/UP	17014	Tie Plugger - 2000	609 1310 12 K	Nebraska	\$65,900.00	36 Months	\$2,250.00	\$10,000.00
HTT/UP	17085	Tie Plugger - 2000	609 1320 12 K	Nebraska	\$65,900.00	36 Months	\$2,250.00	\$10,000.00
HTT/UP	17085	Tie Plugger - 2000	609 1330 12 K	Nebraska	\$65,900.00	36 Months	\$2,250.00	\$10,000.00
HTT/UP	17085	Tie Plugger - 2000	609 1340 12 K	Nebraska	\$65,900.00	36 Months	\$2,250.00	\$10,000.00
HTT/UP	17085	Tie Plugger - 2000	609 1350 12 K	Nebraska	\$65,900.00	36 Months	\$2,250.00	\$10,000.00
HTT/CSX	CNL Cont	RMC305B2-31 TKO Tie Inst. - 2000	257489	Florida	\$186,100.00	SOLD		
HTT/CSX	CNL Cont	RMC305B2-31 TKO Tie Inst. - 2000	257520	Florida	\$186,100.00	SOLD		
M.I.P. Rail, Inc. (2)	A-1	Jackson 925 Tie Ex/Inst. - 1997	152875	Quebec, Can.	\$81,679.00	60 Months	\$1,500.00	\$35,000.00
RailWorks Merritt	A-2	Nordco Model C Spiker - 1999	410203	Missouri	\$183,665.00	48 Months	\$3,600.00	FMV
RailWorks New England	A-1	Jackson 950 Tie Crane - 1999	152949	Connecticut	\$68,000.00	60 Months	\$1,200.00	FMV
RailWorks New England	A-2	Nordco Model C Spiker - 1999	410240	Connecticut	\$185,615.00	60 Months	\$3,600.00	FMV
RailWorks Railroad Service	A-5	HTT TR-10 Tie Ex/Inst. - 1999	592399	Minnesota	\$177,723.00	60 Months	\$3,259.00	FMV
Reefer Trains, LLC	A-1	(6) Passenger Cars	752, 5447, 5576, 5581, 5646, 15461	Michigan	\$437,999.00	60 Months	\$7,689.00	FMV
Reefer Trains, LLC	A-2	(6) Passenger Cars Upgrade	5681, 5647, 5576, 5646, 15461	Michigan	\$111,955.00	60 Months	\$2,676.00	FMV
RailWorks U.S. Trackworks	A-1	Jackson 925 Tie Ex/Inst. - 1999	153048	Michigan	\$72,553.00	60 Months	\$1,324.00	FMV
Union Pacific Railroad	19680	Cal D8R Bulkrizer - 2000	7XMM04781	Utah	\$411,394.00	36 Months	\$7,500.00	\$245,000.00
Union Pacific Railroad	16827	HTT Mark IV Tamper - 2000	45855779	Illinois	\$349,550.00	Payment 13	\$12,000.00	FMV
Vermont Railway, Inc.	A-1	HTT Anchor Borer - 1999	257454	Vermont	\$138,460.00	36 Months	\$6,268.00	\$25,000.00
W. A. Smith Construction Co.	A-1	Jackson 2400 Tamper - 1999	153026	Texas	\$104,160.00	60 Months	\$1,922.00	FMV
W. A. Smith Construction Co.	A-2	Petibone Speed Swing 445 - 1999	31155	Texas	\$146,661.00	60 Months	\$2,706.00	FMV
Williamette Valley Railroad	A-1	Jackson 2400 Tamper - 1998	153025	Oregon	\$130,172.00	60 Months	\$2,610.00	\$1.00
Walden's Backhoe Service	A-1	HTT Mark I Tamper	1076518	Florida	\$70,000.00	30 Months	\$2,659.00	\$1.00

(1) Heller Financial; (2) Michigan Heritage Bank (3) Sterling Bank

E/NE	Lessee	Schedule	Equipment Description	Serial Number	Location	Cost	Lease Terms	Monthly Payment	Purchase Option
NE	Alaska Railroad Company	A-19	Karahaw 46-8 Regulator - 1989	46-438-99	Alaska	\$231,430.00	25 Months	\$3,000.00	\$31,000.00
NE	Amtrak		Jackson 6700 Tamper - 1993	136243	California	\$211,195.00	6 Months	\$9,000.00	FMV
NE	BNSF		HTT TR-10 Tie Exp/Inst - 2000	5592440	Texas	\$188,675.00	10 Months	\$9,450.00	FMV
NE	BNSF	A-8	Trailer Universal PTU Plasser Double Broom	1984, 3030, 3015	Texas	\$836,327.00	Payment 9	\$11,933.13	02/01 \$675,000.00
NE	RailWorks W.T. Byler	A-3	Jackson 6700 Tamper	38-154-00	Texas	\$150,000.00	7	\$8,500.00	Month to Month
NE	CN / IC	A-4	Karahaw Kribber/Adzer - 2000	250197	Iowa	\$180,000.00	6 Months	\$8,520.00	FMV
NE	CN / IC	A-1	Nordco Ride On Tie Adzr - Used	46-412-98	Tennessee	\$87,850.00	6 Months	\$3,100.00	FMV
NE	Canadian American Railroad	A-1	Karahaw 46-8 Regulator - 1998	153087	Quebec, Can	\$280,860.00	60 Months	\$8,662.00	\$1.00
NE	RailWorks Condon Brothers	JAS Cont	Jackson 2400 Tamper - 2000	509-1268 BK	Washington	\$129,023.00	60 Months	\$2,408.00	FMV
NE	HTT / CSX	16839	G88-46BAC Tie Plugger - 2000	257508	Florida	\$57,435.00	SOLD		SOLD
NE	HTT / UP	17015	W133A-27 Profile Grinder - 2000	257517	Nebraska	\$137,228.00	12 Months	\$5,940.00	\$87,330.00
NE	Harsco Track Technologies	A-1	Jackson 6700 Tamper - 1993	151885	Nebraska	\$210,080.00	6 Months	\$5,600.00	\$123,000.00
NE	Hudson Bay Railroad	A-2	Karahaw 46-2 Regulator - 1998	48-417-98	Mexico	\$140,000.00	24 Months	\$3,200.00	\$75,000.00
NE	Huron Central / Nordco	A-1	Nordco Mdl M Ballast Reg - 1997	9717	Meritoba, Can	\$135,535.00	39 Months	\$3,150.00	\$35,592.00
NE	Hydraulic & Equipment Repair	A-1	KKI KBR-850 Regulator - 2000	31-850-00	Texas	\$285,000.00	12 Months	\$10,000.00	\$195,000.00
NE	Knox Karshaw	A-2	(2) Plasser MFS-40 Cars	1937, 1938	Alabama	\$180,000.00	12 Months	\$5,400.00	\$147,600.00
NE	RailWorks Merr RR	A-1	HTT TR-10 Tie Exp/Inst - 1999	5592409	Missouri	\$194,865.00	36 Months	\$4,480.00	FMV
NE	RailWorks Merr RR	A-4	Nordco Auto Lift - 2000	611	Missouri	\$47,860.00	24 Months	\$1,250.00	\$15,000.00
NE	RailWorks Merr RR	A-3	Jackson 900 Tamper - 1999	162763	Missouri	\$82,000.00	80 Months	\$1,678.00	FMV
NE	RailWorks Midwest Const.	A-4	Jackson 2400 Tamper - 2000	153086	Utah	\$85,535.00	60 Months	\$2,408.00	FMV
NE	RailWorks Midwest Const.	A-3	Jackson 900 Tamper - 1998	152898	Utah	\$129,023.00	60 Months	\$1,720.00	\$20,000.00
NE	RailWorks New England	A-3	Jackson 2400 Tamper - 2000	152985	Connecticut	\$130,000.00	60 Months	\$2,200.00	FMV
NE	Rachne Railroad Products	A-1	A-1/A-2 Equipment Buyout		Wisconsin		36 Months	\$1,888.38	
NE	RailWorks Railroad Service	A-2	Jackson 6700 Tamper - 1993	146822	Minnesota	\$180,000.00	60 Months	\$2,865.00	FMV
NE	RailWorks Railroad Service	A-3	Jackson 2400 Tamper - 1999	153024	Minnesota	\$124,000.00	60 Months	\$2,275.00	FMV
NE	RailWorks Railroad Service	A-4	Jackson 950 Tie Crane - 1989	152947	Minnesota	\$60,000.00	60 Months	\$1,000.00	FMV
NE	The Oil Well Supply Co.	A-1	Nordco Pyke M-2 Regulator - 1989	9814	Ontario, Can	\$238,675.00	60 Months	\$4,233.00	FMV
NE	Transportation Products	A-1	Little Giant 15 Ton Crane - 1977	327705	Illinois	\$173,195.00	48 Months	\$3,837.00	\$53,625.00
NE	Union Pacific Railroad	A-2	HTT Anchor Boxer - 2000	328031	Illinois	\$100,000.00	60 Months	\$1,934.24	FMV
NE	Union Pacific Railroad	19037	HTT Anchor Boxer - 2000	?	Nebraska	\$112,000.00	12 Months	\$2,900.00	\$95,000.00
NE	Union Pacific Railroad	19039	HTT Anchor Boxer - 2000	?	Nebraska	\$112,000.00	12 Months	\$2,900.00	\$95,000.00
NE	Union Pacific Railroad	17214	Ditch Witch Rod Pusher - 2000	210539	Nebraska	\$112,000.00	12 Months	\$2,900.00	\$95,000.00
NE	Union Pacific Railroad	18787	Ditch Witch Rod Pusher - 2000	213250	Nebraska	\$28,684.00	12 Months	\$2,000.00	\$4,878.00
NE	Union Pacific Railroad	19487	Stanley Trackhorse - 2000	MHP1221100077	Nebraska	\$28,684.00	12 Months	\$2,000.00	\$5,067.00
NE	Union Pacific Railroad	19224	Epoxy Disp. Skid Machine - 2000	?	Nebraska	\$12,500.00	6 Months	\$1,000.00	\$7,350.00
NE	Union Pacific Railroad	19225	Epoxy Disp. Skid Machine - 2000	?	Nebraska	\$21,500.00	12 Months	\$1,000.00	\$12,500.00
NE	Union Pacific Railroad	19488	Stanley Trackhorse - 2000	MHP12211000105	Nebraska	\$21,500.00	12 Months	\$1,000.00	\$12,500.00
NE	Union Pacific Railroad	19425	Patibone Speed Swing - 2000	3188	Nebraska	\$21,500.00	12 Months	\$1,000.00	\$7,350.00
NE	Union Pacific Railroad				Nebraska	\$154,605.00	12 Months	\$4,000.00	\$125,733.00

FCM Rail, Ltd. Confidential

2/1/2001 3:48 PM

E/NE Lessee	Schedule	Equipment Description	Serial Number	Location	Cost	Lease Terms	Monthly Payment	Purchase Option
NE Union Pacific Railroad	20189	Racine Anchor Boxer - 1998	AM318-98	Nebraska	\$67,000.00	12 Months	\$2,800.00	FMV
NE Union Pacific Railroad	20047	Ditch Witch Rod Pusher - 2000	2T4201	Nebraska	\$26,864.00	12 Months	\$2,000.00	\$5,045.00
NE Union Pacific Railroad	18922	J.L.G. Boom Mantr. - 2000	300015A97	Nebraska	\$26,500.00	12 Months	\$1,880.00	\$8,275.00
NE Union Pacific Railroad	20142	Nordco Anchor Applicator - 2000	680246	Nebraska	\$98,125.00	12 Months	\$2,900.00	FMV
NE Union Pacific Railroad	20144	Nordco Anchor Applicator - 2000	680259	Nebraska	\$98,125.00	12 Months	\$2,900.00	FMV
NE Union Pacific Railroad	16805	Ditch Witch Rod Pusher - 2000	2S3837	Nebraska	\$28,864.00	12 of 12	\$2,000.00	\$3,928.00
NE Union Pacific Railroad	16988	Ditch Witch Rod Pusher - 2000	2S3938	Nebraska	\$28,864.00	12 of 12	\$2,000.00	\$3,928.00
NE Union Pacific Railroad	16954	Ditch Witch Rod Pusher - 2000	2T0180	Nebraska	\$28,864.00	12 of 12	\$2,000.00	\$3,928.00
NE Union Pacific Railroad	17102	Ditch Witch Rod Pusher - 2000	2T0181	Nebraska	\$28,864.00	12 of 12	\$2,000.00	\$4,878.00
NE Union Pacific Railroad	16695	Soil Vac Boring system - 2000	6809-392	Nebraska	\$28,592.00	36 Months	\$800.00	\$7,950.00
NE Union Pacific Railroad	16670	Nordco Anchor Applicator - 1999	680258	Nebraska	\$98,125.00	Payment 16	\$3,500.00	\$74,500.00
NE Union Pacific Railroad	16668	Nordco Anchor Applicator - 2000	680262	Nebraska	\$98,125.00	Payment 16	\$3,500.00	\$74,500.00
NE Union Pacific Railroad	14242	(2) M.J. 18H5-6 Sky Packer - 2000	101163, 101094	Nebraska	\$370,000.00	24 Months	\$7,580.00	\$128,000.00
NE Union Pacific Railroad	15436	Ditch Witch Boring Machine - 1999	2R1163	Nebraska	\$110,807.00	36 Months	\$3,082.00	\$22,000.00
NE Union Pacific Railroad	9053 B	Jackson 6700 Tamper - 1997	152783	Nebraska	\$318,851.00	Extension 15	\$6,800.00	FMV
NE Union Pacific Railroad	9053 A	Jackson 6700 Tamper - 1997	152785	Nebraska	\$318,851.00	Extension 16	\$6,800.00	FMV
NE Union Pacific Railroad	9053 C	Jackson 6700 Tamper - 1997	152784	Nebraska	\$318,851.00	Extension 15	\$6,800.00	FMV
NE Union Pacific Railroad	9059	Jackson 6700 Tamper - 1998	152786	Nebraska	\$318,851.00	Extension 13	\$6,800.00	FMV
NE Union Pacific Railroad	16768	Jackson 6700 Tamper - 1998	152787	Nebraska	\$323,588.00	Monthly	\$6,800.00	FMV
NE Union Pacific Railroad	16828	Jackson 6700 Tamper - 1998	152857	Nebraska	\$323,588.00	Monthly	\$6,800.00	FMV
NE Union Pacific Railroad	16830	Kershaw 48-2 Regulator - 1988	48-421-88	Nebraska	\$155,000.00	Monthly	\$4,000.00	FMV
NE Union Pacific Railroad	16832	Kershaw 28-3 Regulator - 1988	28-241-88	Nebraska	\$139,900.00	Monthly	\$4,000.00	FMV
NE Union Pacific Railroad	9064	HTT W133 Profile Grinder - 1988	258483	Nebraska	\$35,000.00	12 Months	\$400.00	FMV
NE Union Pacific Railroad	11213	Cal IT-288 Wheel Loader - 1998	5637892	Nebraska	\$127,172.00	Payment 20	\$2,400.00	FMV
NE Union Pacific Railroad	9055	Nordco Anchor Applicator - 1997	239	Nebraska	\$62,130.00	12 Month Ext	\$800.00	FMV
NE Union Pacific Railroad	9065	Crawler Tractor Skid Loader - 1998	HD0510-OPWTDT	Nebraska	\$69,850.00	Monthly	\$500.00	FMV
NE Union Pacific Railroad	20147	Nordco Anchor Applicator - 2000	680272	Nebraska	\$98,125.00	12 Months	\$2,900.00	FMV
NE Union Pacific Railroad	20146	Nordco Anchor Applicator - 2000	680271	Nebraska	\$98,125.00	12 Months	\$2,900.00	FMV
NE Union Pacific Railroad	20314	MJ-Jack Reach Stacker - 2000	5006892	Nebraska	\$460,800.00	24 Months	\$8,500.00	\$370,000.00
NE United Railroad Services, Inc.	A-1	Jackson 900 Tamper - 1998	134658	Ohio	\$53,000.00	48 Months	\$1,235.96	\$1.00

FCM Inventory

Equipment	Year	Serial Number	Location	Original Cost
Fairmont RTW200/B Tie Handler	1999	257424	Owosso, MI	\$102,686.00
Fairmont RTW200/B Tie Handler	1999	257426	Owosso, MI	\$102,686.00
Fairmont TR-10 Tie Exchanger	2000	5592430	Owosso, MI	\$188,675.00
Pettibone 441B Speedswing		2113	Owosso, MI	\$75,000.00
Jackson 925ss Tie Inst/Ext	1999	153047	Owosso, MI	\$72,553.00
Jackson 925ss Tie Inst/Ext	1998	152880	Owosso, MI	\$68,250.00
Jackson 950 Tie Crane	1998	152947	Owosso, MI	\$58,195.00
FT Super Gopher Model GO4S	1998	602-20	Columbia, SC	\$485,000.00
FT Super Gopher Model GO4S	1997	602-19	CLN Ind (Canada)	\$485,000.00
Swingmaster 441-B Speedswing	1997	1858	Iowa	\$57,000.00
Jackson 2400 Tamper	2000	15303	Midland, MI	\$126,417.00
Jackson 925 Tie Inst/Ext	2000	18241	Salt Lake City, UT	\$68,203.00
Nordco Bushwacker Brushcutter	1999	114	Milwaukee, WI	\$175,000.00
Jackson 6700 Tamper	1993	?	Owosso, MI	\$211,195.00
Jackson 6700 Tamper	1993	?	Topeka, KS	\$211,195.00
HTT Mark IV Tamper	2000	7101970	Columbia, SC	\$364,715.00
Nordco Model C Spiker	1999	410232	New Jersey	\$192,965.00
Nordco Super Claw	1999	473	New Jersey	\$47,650.00
Nordco Anchor Applicator	2000	269	Florida	\$98,125.00
Nordco Anchor Applicator	2000	270	Florida	\$98,125.00
Nordco Model C Spiker	2000	278	Florida	\$185,665.00
Nordco Anchor Applicator	2000	266	Florida	\$98,125.00
Nordco Anchor Applicator	2000	268	Florida	\$98,125.00
Nordco Anchor Applicator	2000	264	Florida	\$98,125.00
Nordco Anchor Applicator	2000	263	Florida	\$98,125.00
Nordco M-3 Regulator	1998	450041	Pennsylvania	\$131,250.00
Nordco Grabber	1998	330503	Pennsylvania	\$99,750.00
Nordco Anchor Applicator	1999	249	Wisconsin	\$105,450.00
Nordco Autolift	1999	612	Texas	\$51,650.00
Nordco Model C Spiker	1999	234	Wisconsin	\$185,665.00
Nordco Model C Spiker	1999	231	Wisconsin	\$185,665.00
Nordco Model C Spiker	1999	205	Tennessee	\$185,665.00
Nordco Autolift	1999	619	Vermont	\$51,650.00
Nordco Model C Spiker	2000	277	Illinois	\$185,665.00
Nordco Model C Spiker	2000	276	Missouri	\$189,450.00
Nordco Model C Spiker	2000	280	Missouri	\$189,450.00
Nordco Model C Spiker	2000	279	Pennsylvania	\$185,665.00
Nordco Brushcutter	1999	114	Wisconsin	\$275,000.00
Nordco Brushcutter	1999	119	Wisconsin	\$275,000.00
Nordco Ground Hog	2000	GH0102	Florida	\$120,000.00
Nordco Brushcutter	2000	9810	Montreal,	\$275,000.00
Nordco Ballast Regulator	2000		Florida	\$145,000.00
Nordco Ballast Regulator	2000	9917	Ontario, Can	\$150,000.00
Nordco Pyke BC60 Brushcutter	1999	9908	British Columbia, Can	\$246,827.00



RAYMOND & PROKOP, P.C.
ATTORNEYS AND COUNSELORS

• James P. Maher

26300 Northwestern Highway, 4th Fl. (248) 357-3010
P.O. Box 5058 Fax: (248) 357-2720
Southfield, Michigan 48086-5058
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March 20, 2001

Taledia Stokes
**SECRETARY OF THE SURFACE
TRANSPORTATION BOARD**
1925 K Street N.W., Suite 700
Washington, DC 20423-0001

VIA FEDERAL EXPRESS

RECORDATION NO. 23417 FILED

Re: Bank One, Michigan - FCM Rail, Ltd.

MAR 21 '01 4-43 PM

TS
SURFACE TRANSPORTATION BOARD

Dear Taledia:

Enclosed please find a check made payable to the Surface Transportation Board in the amount of \$56.00 regarding the filing of the following documents previously forwarded to you:

1. Security Agreement between Bank One, Michigan and FCM Rail, Ltd.
2. Assignment of Lease between FCM Rail, Ltd. and Bank One, Michigan

Please record the above-referenced documents at your earliest convenience and return to me one copy of each recorded document.

Very truly yours,

RAYMOND & PROKOP, P.C.



James P. Maher

JPM>vfd
Enclosure

* returned \$2.00 Check.

Continuing Security Agreement

MAR 21 '01 4:43 PM

4:43 PM TS

SURFACE TRANSPORTATION BOARD

FCM Rail, Ltd., a Michigan corporation (the "Debtor")

Taxpayer I.D. No.: 38-2343435

Chief executive office: 7255 E. Baldwin Road, Grand Blanc, Michigan 48439

Grant of Security Interest. The Debtor grants to **Bank One, Michigan**, the secured party referred to as "Bank", whose address is 611 Woodward Avenue, Detroit, Michigan 48226, a continuing security interest in the Collateral listed below, to secure the payment and performance of all of the Debtor's debt to the Bank.

Debt shall include each and every debt, liability and obligation of every type and description now owed or arising at a later time, whether they are direct or indirect, joint, several, or joint and several and whether or not of the same type or class as presently outstanding, which shall collectively be referred to as "Liabilities." Liabilities shall also include all interest, costs, expenses and reasonable attorney's fees accruing to or incurred by the Bank in collecting the Liabilities or in the protection, maintenance or liquidation of the Collateral.

Collateral: Leases, Inventory, Equipment; also, Accounts, Chattel Paper, Instruments and General Intangibles insofar as they pertain to or constitute proceeds of Leases, Inventory and Equipment.

Description of Collateral. Except as otherwise specifically described below, the categories of Collateral are defined as provided in the Michigan "Uniform Commercial Code as amended from time to time ("UCC"). The Collateral covered by this agreement is all of the Debtor's property indicated above and as defined below, present and future, including but not limited to any items listed on any schedule or list attached. Also included are all proceeds, including, but not limited to, stock rights, subscription rights, dividends, stock dividends, stock splits, or liquidating dividends, and all cash, instruments, accounts, chattel paper and general intangibles arising from the sale, rent, lease, casualty loss or other disposition of the Collateral, and any Collateral returned to, repossessed by or stopped in transit by the Debtor. Also included are the Debtor's books and records which relates to the Collateral. Where the Collateral is in the possession of the Bank, the Debtor agrees to deliver to the Bank any property which represents an increase in the Collateral or profits or proceeds of the Collateral. Debtor warrants that its chief executive office is at the address shown above.

Definitions.

1. **"Accounts Receivable"** : Intentionally left blank
2. **"Inventory"** shall consist of all property not subject to a Lease held at any location by or for Debtor for sale, rent, or lease, or furnished or to be furnished by the Debtor under any contract of service, or raw materials or work in process and their products, or materials used or consumed in its business, and shall include containers and shelving useful for storing. Without limiting the security interest granted, Inventory is presently located at Owosso, Michigan.
3. **"Equipment"** shall consist of equipment subject to Leases and any other goods at any time acquired, owned or held by Debtor at any location primarily for lease to customers pursuant to Leases, including, but not limited to, machinery, fixtures, furniture, furnishings and vehicles, and any accessions, parts, attachments, accessories, tools, dies, additions, substitutions, replacements and appurtenances to them or intended for use with them. Without limiting the security interest granted, Equipment is presently located at the locations of the lessees.
4. **"Instruments"** shall consist of Debtor's interest of any kind in any negotiable instrument or security as those terms are defined in the UCC, or any other writing which evidences a right to payment of money and is of a type which is, in the ordinary course of business, transferred by delivery alone or by delivery with any necessary endorsement or assignment.
5. **"Farm Products"** shall consist of all poultry and livestock and their young, along with their products and produce; all crops, annual or perennial, and all products of the crops; and all feed, seed, fertilizer, medicines, and other supplies used or produced in farming operations. The Debtor will provide the Bank with a written list of the buyers, commission merchants or selling agents to or through whom it may sell the Farm Products, in form acceptable to the Bank. The Debtor will keep this list current by notice to the Bank at least seven (7) days prior to any sale. In this paragraph the terms farm products, buyers, commission merchants and selling agents have the meanings given to them in the Federal Food Security Act of 1985, and Section 9307 of the UCC.
6. **Leases**" shall mean leases of Equipment having a fixed and non-cancellable term of one year or more, and all extensions and renewals thereof plus all rents and other proceeds of Leases, including insurance proceeds and proceeds of sale of the Equipment subject thereto pursuant to options or otherwise.

7. "**Specific**" shall consist of the following, and all accessions, parts, attachments, accessories, additions, substitutions, replacements, appurtenances and their related rights: See Schedule A attached.

Warranties and Covenants. The Debtor warrants and covenants to the Bank that:

1. It will pay its Liabilities to the Bank secured by this agreement;
2. It is or will become the owner of the Collateral free from any liens, encumbrances or security interests, except for this security interest, and existing liens disclosed to and accepted by the Bank in writing, and will defend the Collateral against all claims and demands of all persons at any time claiming any interest in it;
3. It will keep the Collateral free of liens, encumbrances and other security interests, maintain it in good repair, not use it illegally, and exhibit it to the Bank on demand;
4. At its own expense, the Debtor will maintain comprehensive casualty insurance on the Collateral against such risks, in such amounts, with such deductibles and with such companies as may be satisfactory to the Bank, and provide the Bank with proof of insurance acceptable to the Bank. Each insurance policy shall contain a lender's loss payable endorsement satisfactory to the Bank and a prohibition against cancellation or amendment of the policy or removal of the Bank as loss payee without at least 30 days prior written notice to the Bank. In all events, the amounts of such insurance coverages shall conform to prudent business practices and shall be in such minimum amounts that the Debtor will not be deemed a co-insurer;
5. It will not sell or offer to sell or otherwise transfer the Collateral, nor change the location of the Collateral, without the written consent of the Bank, except in the ordinary course of business;
6. It will pay promptly when due all taxes and assessments upon the Collateral, or for its use or operation;
7. No financing statement covering all or any part of the Collateral or any proceeds is on file in any public office, unless the Bank has approved that filing. At the Bank's request, Debtor will execute one or more financing statements in form satisfactory to Bank and will pay the cost of filing them in all public offices wherever filing is deemed by Bank to be desirable;
8. It will immediately notify Bank in writing of any name change or any change in business organization;
9. It will provide any information that Bank may reasonably request, and will permit Bank upon prior notice to inspect and copy its books and records during normal business hours.

Accounts Receivable. The Debtor acknowledges that if the Collateral includes "Accounts Receivable," then until the Bank gives notice to Debtor to the contrary, Debtor will, in the usual course of its business and at its own cost and expense, on the Bank's behalf but not as the Bank's agent, demand and receive and use its best efforts to collect all moneys due or to become due on the Accounts Receivable. Until the Bank gives notice to Debtor to the contrary or until the Debtor is in default, it may use the funds collected in its business. Upon notice from the Bank or upon default, the Debtor agrees that all sums of money it receives on account of or in payment or settlement of the Accounts Receivable shall be held by it as trustee for the Bank without commingling with any of its funds, and shall immediately be delivered to the Bank with endorsement to the Bank's order of any check or similar instrument. It is agreed that, at any time the Bank elects, it shall be entitled, in its own name or in the name of the Debtor or otherwise, but at the expense and cost of the Debtor, to collect, demand, receive, sue for or compromise any and all Accounts Receivable, and to give good and sufficient releases, to endorse any checks, drafts or other orders for the payment of money payable to the Debtor in payment and, in its discretion, to file any claims or take any action or proceeding which the Bank may deem necessary or advisable. It is expressly understood and agreed, however, that the Bank shall not be required or obligated in any manner to make any demand or to make any inquiry as to the nature or sufficiency of any payment received by it or to present or file any claim or take any other action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times. All notices required in this paragraph will be immediately effective when sent. Such notices need not be given prior to the Bank taking action.

Representations by Debtor. Each Debtor represents: (a) that the execution and delivery of this agreement and the performance of the obligations it imposes do not violate any law, conflict with any agreement by which it is bound, or require the consent or approval of any governmental authority or any third party; (b) that this agreement is a valid and binding agreement, enforceable according to its terms; and (c) that all balance sheets, profit and loss statement, and other financial statements furnished to the Bank are accurate and fairly reflect the financial condition of the organizations and persons to which they apply on their effective dates, including contingent liabilities of every type, which financial condition has not changed materially and adversely since those dates. Each Debtor, other than a natural person, further represents: (a) that it is duly organized, existing and in good standing pursuant to the laws under which it is organized; and (b) that the execution and delivery of this agreement and the performance of the obligations it imposes (i) are within its powers and have been duly authorized by all necessary action of its governing body; (ii) do not contravene the terms of its articles of incorporation or organizations, its by-laws, or any partnership, operating or other agreement governing its affairs.

Pledge. If the Debtor is not liable for all or any part of the Borrower's obligations to the Bank (the "Debt"), then it agrees that:

- (a) If any monies become available to the Bank that it can apply to any Debt, the Bank may apply them to Debt not secured by this agreement.

(b) Without notice to or the consent of the Debtor, the Bank may (i) take any action it chooses against any Borrower, against any collateral for the Debt, or against any other person liable for the Debt; (ii) release any Borrower or any other person liable for the Debt, release any collateral for the Debt, and neglect to perfect any interest in any such collateral; (iii) forbear or agree to forbear from exercising any rights or remedies, including any right of setoff, that it has against the Borrower, any other person liable for the Debt, or any other collateral for the Debt; (iv) extend to any Borrower additional Debt to be secured by this agreement; or (v) renew, extend, modify or amend any Debt, and deal with any Borrower or any other person liable for the Debt as it chooses.

(c) None of the Debtor's obligations under this agreement shall be affected by (i) any act or omission of the Bank; (ii) the voluntary or involuntary liquidation, sale or other disposition of all or substantially all of the assets of any Borrower, (iii) any receivership, insolvency, bankruptcy, reorganization or other similar proceedings affecting any Borrower or any of its assets; or (iv) any change in the composition or structure of any Borrower or any Debtor, including a merger or consolidation with any other entity.

(d) The Bank's rights under this section and this agreement are unconditional and absolute, regardless of the unenforceability of any provision of any agreement between any Borrower and the Bank, or the existence of any defense, setoff or counterclaim that any Borrower may be able to assert against the Bank.

(e) It waives all rights of subrogation, contribution, reimbursement, indemnity, exoneration, implied contract, recourse to security, and any other claim (as that term is defined in the federal Bankruptcy Code, as amended from time to time) that it may have or acquire in the future against any Borrower, any other person liable for the Debt, or any collateral for the Debt, because of the existence of this agreement, the Debtor's performance under this agreement, or the Bank's availing itself of any rights or remedies under this agreement.

(f) If any payment to the Bank on any Debt is wholly or partially invalidated, set aside, declared fraudulent or required to be repaid to the Borrower or anyone representing the Borrower or the Borrower's creditors under any bankruptcy or insolvency act or code, under any state or federal law, or under common law or equitable principles, then this agreement shall remain in full force and effect or be reinstated, as the case may be, until payment in full to the Bank of the repaid amounts, and of the Debt. If this agreement must be reinstated, the Debtor agrees to execute and deliver to the Bank new agreements and financing statements, if necessary, in form and substance acceptable to the Bank, covering the Collateral.

Default/Remedies. If the Debtor or the Borrower fails to pay any of the Liabilities when due, or if a default by anyone occurs under the terms of any agreement related to any of the Liabilities, or if the Debtor dies or fails to observe or perform any term of this agreement, or if any representation or warranty contained in this agreement is untrue, or if there is a material change in the financial condition of the Debtor which the Bank in good faith determines to be materially adverse, then the Bank shall have the rights and remedies provided by law or this agreement, including but not limited to the right to require the Debtor to assemble the Collateral and make it available to the Bank at a place to be designated by the Bank which is reasonably convenient to both parties, the right to take possession of the Collateral with or without demand and with or without process of law, and the right to sell and dispose of it and distribute the proceeds according to law. In connection with the right of the Bank to take possession of the Collateral, the Bank may take possession of any other items of property in or on the Collateral at the time of taking possession, and hold them for the Debtor without liability on the part of the Bank. If there is any statutory requirement for notice, that requirement shall be met if the Bank sends notice to the Debtor at least seven (7) days prior to the date of sale, disposition or other event giving rise to the required notice. The Debtor shall be liable for any deficiency remaining after disposition of the Collateral.

Miscellaneous.

1. Where the Collateral is located at, used in or attached to a facility leased by the Debtor, the Debtor will obtain from the lessor a consent to the granting of this security interest and a subordination of the lessor's interest in any of the Collateral, in form acceptable to the Bank.

2. At its option the Bank may, but shall be under no duty or obligation to, discharge taxes, liens, security interests or other encumbrances at any time levied or placed on the Collateral, pay for insurance on the Collateral, and pay for the maintenance and preservation of the Collateral, and the Debtor agrees to reimburse the Bank on demand for any payment made or expense incurred by the Bank, with interest at the maximum legal rate.

3. No delay on the part of Bank in the exercise of any right or remedy shall operate as a waiver, no single or partial exercise by the Bank of any right or remedy shall preclude any other exercise of it or the exercise of any other right or remedy, and no waiver or indulgence by the Bank of any default shall be effective unless in writing and signed by the Bank, nor shall a waiver on one occasion be construed as a waiver of that right on any future occasion.

4. If any provision of this agreement is invalid, it shall be ineffective only to the extent of its invalidity, and the remaining provisions shall be valid and effective.

5. Notice from one party to another relating to this agreement shall be deemed effective if made in writing (including telecommunications) and delivered to the recipient's address, telex number or telecopier number set forth above by any of the following means: (a) hand delivery, (b) registered or certified mail, postage prepaid, with return receipt requested, (c) first class or express mail, postage prepaid, (d) Federal Express, Purolator Courier or like overnight courier service or (e) teletype, telex or other wire transmission with request for assurance of receipt in a manner typical with respect to communications of that type. Notice made in accordance with this section shall be deemed delivered on receipt if delivered by hand or wire transmission, on the third business

day after mailing if mailed by first class, registered or certified mail, or on the next business day after mailing or deposit with an overnight courier service if delivered by express mail or overnight courier.

6. All rights of the Bank shall inure to the benefit of the Bank's successors and assigns; and all obligations of the Debtor shall bind the Debtor's heirs, executors, administrators, successors and assigns. If there is more than one Debtor, their obligations are joint and several.

7. A carbon, photographic or other reproduction of this agreement is sufficient, and can be filed as a financing statement. The Bank is irrevocably appointed the Debtor's attorney-in-fact to execute any financing statement on Debtor's behalf covering the Collateral. The terms and provisions of this security agreement shall be governed by Michigan law.

Information Sharing. The Bank may provide, without any limitation whatsoever, any information or knowledge the Bank may have about the undersigned or any matter relating to this agreement and any related documents to BANK ONE CORPORATION, or any of its subsidiaries or affiliates or their successors, or to any one or more purchasers or potential purchasers of this agreement or any related documents, and the undersigned waives any right to privacy the undersigned may have with respect to such matters. The Borrower agrees that the Bank may at any time sell, assign or transfer one or more interests or participations in all or any part of its rights or obligations in this agreement to one or more purchasers whether or not related to the Bank.

Waiver of Jury Trial. The Bank and the Debtor knowingly and voluntarily waive any right either of them have to a trial by jury in any proceeding (whether sounding in contract or tort) which is in any way connected with this or any related agreement, or the relationship established under them. This provision may only be modified in a written instrument executed by the Bank and the Debtor.

Dated: February 26, 2001

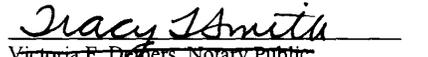
Debtor:

FCM RAIL, LTD., a Michigan corporation

By: 
Dennis Gilstad, President

STATE OF MICHIGAN)
)SS:
COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me on February 26, 2001 by Dennis Gilstad.


Victoria F. Doners, Notary Public
Wayne [acting in Oakland] County, Michigan
My Commission Expires: 01/07/2005

TRACY I. SMITH
Notary Public, Oakland County, MI
My Commission Expires Apr 12, 2004

ERIE Lessee	Schedule	Equipment Description	Serial Number	Location	Cost	Lease Terms	Monthly Payment	Purchase Option
E	A-25	American Model B40DEH Locomotive						
E	A-1	Crane - 1981	L4291	Alaska	\$399,000.00	24 Months	\$30,000.00	\$141,000.00 or Extend
E	A-1	Jackson 2400 Tamper - 2000	153085	Texas	\$101,701.00	60 Months	\$2,225.00	\$1.00
E	A-1	KKI KBR-900 Regulator - 1999	033-900-99	Delaware	\$9,450.00	24 Months	\$9,450.00	\$1.00
E	A-2	KKI KBR-900 Regulator - 1999	034-900-99	Delaware	\$199,410.00	24 Months	\$9,450.00	\$1.00
E	A-2	Jackson 2400 Tamper - 2000	153093	Indiana	\$119,424.00	36 Months	\$2,620.00	FMV
E	A-3	Jackson 900 Tamper - 2000	152999	Indiana	\$95,104.00	36 Months	\$2,090.00	FMV
E	A-1	Nordco Model C Splitter - 1999	410235	Indiana	\$183,665.00	60 Months	\$3,200.00	FMV
E	A-1	Jackson 925 Tie Exd/Inst - 1996	137146	Iowa	\$80,800.00	Payment 41	\$2,628.00	\$1.00
E	A-17	Petibone Speed Swing - 1995	3079	Missouri	\$141,034.00	Payment 61	\$2,475.00	FMV
E	A-18	Jackson 6700 Tamper - 1996	152720	Missouri	\$326,000.00	60 Months	\$5,486.00	FMV
E	A-1	HTT Mark IV Tamper - 1999	7191769	Missouri	\$402,530.00	60 Months	\$9,050.00	\$1.00
E	A-1	RMC30582-31 Tie Insertor - 2000	257488	Missouri	\$175,000.00	36 Months	\$4,452.00	SOLD
E		W96F1-28 Splitter - 2000	257418	Missouri	\$180,000.00	37 Months	\$4,974.00	SOLD
E		W96F1-31 Splitter - 2000	257453	Missouri	\$190,000.00	36 Months	\$4,974.00	SOLD
E	17013	Tie Plugger - 2000	609 1270 12K	Nebraska	\$65,900.00	36 Months	\$2,250.00	\$10,000.00
E	17013	Tie Plugger - 2000	609 1280 12K	Nebraska	\$65,900.00	36 Months	\$2,250.00	\$10,000.00
E	17013	Tie Plugger - 2000	609 1290 12K	Nebraska	\$65,900.00	36 Months	\$2,250.00	\$10,000.00
E	17014	Tie Plugger - 2000	609 1300 12 K	Nebraska	\$65,900.00	36 Months	\$2,250.00	\$10,000.00
E	17014	Tie Plugger - 2000	609 1310 12 K	Nebraska	\$65,900.00	36 Months	\$2,250.00	\$10,000.00
E	17014	Tie Plugger - 2000	609 1320 12 K	Nebraska	\$65,900.00	36 Months	\$2,250.00	\$10,000.00
E	17085	Tie Plugger - 2000	609 1330 12 K	Nebraska	\$65,900.00	36 Months	\$2,250.00	\$10,000.00
E	17085	Tie Plugger - 2000	609 1340 12 K	Nebraska	\$65,900.00	36 Months	\$2,250.00	\$10,000.00
E	17085	Tie Plugger - 2000	609 1350 12 K	Nebraska	\$65,900.00	36 Months	\$2,250.00	\$10,000.00
E	CNL Cont	RMC30582-31 TKO Tie Inst - 2000	257499	Florida	\$186,100.00	SOLD		SOLD
E	CNL Cont	RMC30582-31 TKO Tie Inst - 2000	257500	Florida	\$186,100.00	SOLD		SOLD
E	A-1	Jackson 925 Tie Exd/Inst - 1997	152875	Quebec, Can.	\$91,879.00	60 Months	\$1,500.00	\$35,000.00
E	A-2	Nordco Model C Splitter - 1999	410203	Missouri	\$183,665.00	48 Months	\$3,800.00	FMV
E	A-1	Jackson 950 Tie Crane - 1999	152949	Connecticut	\$68,000.00	60 Months	\$1,200.00	FMV
E	A-2	Nordco Model C Splitter - 1999	410240	Connecticut	\$185,815.00	60 Months	\$3,600.00	FMV
E	A-5	HTT TR-10 Tie Exd/Inst - 1999	5592399	Minnesota	\$177,723.00	60 Months	\$3,259.00	FMV
E	A-1	(6) Passenger Cars	762, 5447, 5576, 5581, 5616, 15461, 5681, 5646, 15461, 762, 5447, 5576	Michigan	\$137,888.00	60 Months	\$2,988.00	FMV
E	A-2	(6) Passenger Cars Upgrades		Michigan	\$111,355.00	35 Months	\$2,670.00	
E	A-2	(6) Union Pacific Railroad		Michigan	\$149,000.00	60 Months	\$1,324.00	FMV
E	A-1	Jackson 925 Tie Exd/Inst - 1999	153048	Michigan	\$72,553.00	60 Months	\$1,324.00	FMV
E	19680	Cal D8R Buldozer - 2000	7XM04781	Utah	\$411,394.00	36 Months	\$7,500.00	\$245,000.00
E	18627	HTT Mark IV Tamper - 2000	46853779	Illinois	\$349,550.00	Payment 13	\$12,000.00	FMV
E	A-1	HTT Anchor Boxer - 1999	257454	Vermont	\$138,460.00	36 Months	\$6,268.00	\$25,000.00
E	A-1	Jackson 2400 Tamper - 1999	153026	Texas	\$104,160.00	60 Months	\$1,922.00	FMV
E	A-2	Petibone Speed Swing 445 - 1999	3155	Texas	\$146,661.00	60 Months	\$2,706.00	FMV
E	A-1	Jackson 2400 Tamper - 1998	153025	Oregon	\$130,172.00	60 Months	\$2,810.00	\$1.00
E	A-1	HTT Mark IV Tamper	1076518	Florida	\$70,000.00	30 Months	\$2,859.00	\$1.00

(1) Heller Financial; (2) Michigan Heritage Bank (3) Sterling Bank

EINE	Lessee	Schedule	Equipment Description	Serial Number	Location	Cost	Lease Terms	Monthly Payment	Purchase Option
NE	Alaska Railroad Company	A-19	Kershaw 46-6 Regulator - 1989	46-438-98	Alaska	\$231,430.00	25 Months	\$3,000.00	\$31,000.00
NE	Amtrak		Jackson 6700 Tamper - 1993	139243	California	\$111,995.00	9 Months	\$9,000.00	FMV
NE	BNSF		HTT TR-10 Tie Exp/Inst - 2000	5592440	Texas	\$188,875.00	10 Months	\$9,450.00	FMV
			Plaszer Model D9-32 Tamper Plow						
			Trailer Universal PTU Plaszer Double						
NE	BNSF	A-8	Broom	1894, 3030, 3015	Texas	\$69,327.00	Payment 9	\$11,933.13	02/01 \$875,000.00
NE	RailWorks W.T. Byler	A-3	Jackson 6700 Tamper	38-154-00	Texas	\$150,000.00	7	\$8,500.00	Month to Month
NE	CN / IC	A-4	Kershaw Kribber/Adzer - 2000	250197	Iowa	\$180,000.00	6 Months	\$6,520.00	FMV
NE	Canadian American Railroad	A-1	Nordco Ride On Tie Adzer - Used	46-412-88	Tennessee	\$97,650.00	6 Months	\$3,100.00	FMV
NE	RailWorks Condon Brothers	A-1	Kershaw 46-6 Regulator - 1988	153067	Quebec, Can	\$280,860.00	60 Months	\$6,882.00	\$1.00
NE	HTT / CSX	JAS Cont	Jackson 2400 Tamper - 2000	609 1269 8K	Washington	\$128,023.00	60 Months	\$2,408.00	FMV
NE	HTT / UP	16839	G8846BAC Tie Plugger - 2000	257508	Florida	\$57,435.00	SOLD		
NE	Harco Track Technologies	17015	W133A-27 Profile Grinder - 2000	257517	Nebraska	\$137,228.00	12 Months	\$5,940.00	\$87,330.00
NE	Hudson Bay Railroad	A-1	W133A-27 Profile Grinder - 2000	151885	Nebraska	\$210,080.00	6 Months	\$5,600.00	\$123,000.00
NE	Huron Central / Nordco	A-2	Kershaw 46-2 Regulator - 1988	48-417-98	Mexico	\$140,000.00	24 Months	\$3,200.00	\$75,000.00
NE	Hydraulic & Equipment Repair	A-1	Nordco Mid M Ballast Reg - 1997	9717	Manitoba, Can	\$135,535.00	38 Months	\$3,150.00	\$35,592.00
NE	Knox Kershaw	A-2	(2) Plaszer MFS-40 Cars	1937 1938	Texas	\$142,000.00	24 Months	\$3,615.00	\$85,000.00
NE	RailWorks Merr RR	A-3	KKI KBR-850 Regulator - 2000	850-034-00	Alabama	\$285,000.00	12 Months	\$5,400.00	\$185,000.00
NE	RailWorks Merr RR	A-1	HTT TR-10 Tie Exp/Inst - 1999	5592409	Alabama	\$180,000.00	12 Months	\$5,400.00	\$147,600.00
NE	RailWorks Merr RR	A-3	Nordco Auto Lith - 2000	611	Missouri	\$47,650.00	36 Months	\$1,250.00	FMV
NE	RailWorks Midwest Const.	A-4	Jackson 900 Tamper - 1989	152753	Missouri	\$92,000.00	60 Months	\$1,678.00	FMV
NE	RailWorks Midwest Const.	A-3	Jackson 2400 Tamper - 2000	153086	Utah	\$85,535.00	60 Months	\$1,720.00	FMV
NE	RailWorks New England	A-3	Jackson 2400 Tamper - 1988	152896	Utah	\$129,023.00	60 Months	\$2,408.00	\$20,000.00
NE	Racine Railroad Products	A-1	A-1/A-2 Equipment Buyout	152965	Connecticut	\$130,000.00	60 Months	\$2,200.00	FMV
NE	RailWorks Railroad Service	A-2	Jackson 6700 Tamper - 1983	146822	Wisconsin	\$180,000.00	38 Months	\$1,888.38	FMV
NE	RailWorks Railroad Service	A-3	Jackson 2400 Tamper - 1999	153024	Minnesota	\$124,000.00	60 Months	\$2,865.00	FMV
NE	The Oil Well Supply Co.	A-4	Jackson 850 Tie Crane - 1989	152947	Minnesota	\$80,000.00	60 Months	\$2,275.00	FMV
NE	Transportation Products	A-1	Nordco Pyke M-2 Regulator - 1989	9914	Ontario, Can	\$239,875.00	60 Months	\$4,233.00	FMV
NE	Transportation Products	A-2	Little Giant 15 Ton Crane - 1977	327705	Ontario, Can	\$173,195.00	48 Months	\$3,637.00	\$53,625.00
NE	Union Pacific Railroad	19036	HTT Anchor Bower - 2000	328031	Illinois	\$100,000.00	60 Months	\$1,934.24	FMV
NE	Union Pacific Railroad	19037	HTT Anchor Bower - 2000	7	Illinois	\$82,500.00	60 Months	\$1,595.72	FMV
NE	Union Pacific Railroad	19039	HTT Anchor Bower - 2000	7	Nebraska	\$112,000.00	12 Months	\$2,800.00	\$95,000.00
NE	Union Pacific Railroad	17214	Ditch Witch Rod Pusher - 2000	210539	Nebraska	\$112,000.00	12 Months	\$2,800.00	\$95,000.00
NE	Union Pacific Railroad	18787	Ditch Witch Rod Pusher - 2000	213250	Nebraska	\$28,864.00	12 Months	\$2,000.00	\$4,878.00
NE	Union Pacific Railroad	19487	Stanley Trackhorse - 2000	MHP1221100077	Nebraska	\$28,864.00	12 Months	\$2,000.00	\$5,067.00
NE	Union Pacific Railroad	19224	Epoxy Disp. Skid Machine - 2000	7	Nebraska	\$12,500.00	6 Months	\$1,000.00	\$7,350.00
NE	Union Pacific Railroad	19225	Epoxy Disp. Skid Machine - 2000	7	Nebraska	\$21,500.00	12 Months	\$1,000.00	\$12,500.00
NE	Union Pacific Railroad	19488	Stanley Trackhorse - 2000	MHP12211000105	Nebraska	\$21,500.00	12 Months	\$1,000.00	\$12,500.00
NE	Union Pacific Railroad	19425	Petibona Speed Swing - 2000	3183	Nebraska	\$154,605.00	12 Months	\$4,000.00	\$7,350.00

E/NE Lessee	Schedule	Equipment Description	Serial Number	Location	Cost	Lease Terms	Monthly Payment	Purchase Option
NE Union Pacific Railroad	201 89	Racine Anchor Borer - 1998	AM318-98	Nebraska	\$67,000.00	12 Months	\$2,800.00	FMV
NE Union Pacific Railroad	20047	Ditch Witch Rod Pusher - 2000	2T4201	Nebraska	\$26,864.00	12 Months	\$2,000.00	\$5,045.00
NE Union Pacific Railroad	18922	JLG Boom Manlift - 2000	300015497	Nebraska	\$28,500.00	12 Months	\$2,000.00	\$8,275.00
NE Union Pacific Railroad	201 42	Nordco Anchor Applicator - 2000	880246	Nebraska	\$98,125.00	12 Months	\$2,900.00	FMV
NE Union Pacific Railroad	201 44	Nordco Anchor Applicator - 2000	880259	Nebraska	\$98,125.00	12 Months	\$2,900.00	FMV
NE Union Pacific Railroad	16805	Ditch Witch Rod Pusher - 2000	2S3937	Nebraska	\$28,864.00	12 of 12	\$2,000.00	\$3,928.00
NE Union Pacific Railroad	16988	Ditch Witch Rod Pusher - 2000	2S3938	Nebraska	\$28,864.00	12 of 12	\$2,000.00	\$3,928.00
NE Union Pacific Railroad	16954	Ditch Witch Rod Pusher - 2000	2T0180	Nebraska	\$28,864.00	12 of 12	\$2,000.00	\$3,928.00
NE Union Pacific Railroad	17102	Ditch Witch Rod Pusher - 2000	2T0181	Nebraska	\$28,864.00	12 of 12	\$2,000.00	\$4,678.00
NE Union Pacific Railroad	16695	Soil Vac Boring system - 2000	9909-392	Nebraska	\$28,592.00	36 Months	\$800.00	\$7,950.00
NE Union Pacific Railroad	16670	Nordco Anchor Applicator - 1999	880258	Nebraska	\$98,125.00	Payment 16	\$3,500.00	\$74,500.00
NE Union Pacific Railroad	16669	Nordco Anchor Applicator - 2000	880262	Nebraska	\$98,125.00	Payment 16	\$3,500.00	\$74,500.00
NE Union Pacific Railroad	14242	(2) MJ 19H-6 Sky Packer - 2000	101163, 101094	Nebraska	\$370,000.00	24 Months	\$7,580.00	\$128,000.00
NE Union Pacific Railroad	15438	Ditch Witch Boring Machine - 1999	2R1183	Nebraska	\$110,807.00	36 Months	\$3,082.00	\$22,000.00
NE Union Pacific Railroad	9053 B	Jackson 6700 Tamper - 1997	152783	Nebraska	\$318,851.00	Extension 15	\$6,800.00	FMV
NE Union Pacific Railroad	9053 A	Jackson 6700 Tamper - 1997	152785	Nebraska	\$318,851.00	Extension 15	\$6,800.00	FMV
NE Union Pacific Railroad	9053 C	Jackson 6700 Tamper - 1997	152784	Nebraska	\$318,851.00	Extension 15	\$6,800.00	FMV
NE Union Pacific Railroad	9059	Jackson 6700 Tamper - 1998	152786	Nebraska	\$318,851.00	Extension 13	\$6,800.00	FMV
NE Union Pacific Railroad	16768	Jackson 6700 Tamper - 1998	152787	Nebraska	\$323,588.00	Monthly	\$6,800.00	FMV
NE Union Pacific Railroad	16828	Jackson 6700 Tamper - 1998	152957	Nebraska	\$323,588.00	Monthly	\$6,800.00	FMV
NE Union Pacific Railroad	16830	Kershaw 46-2 Regulator - 1998	46-421-98	Nebraska	\$155,000.00	Monthly	\$4,000.00	FMV
NE Union Pacific Railroad	16832	Kershaw 28-3 Regulator - 1998	46-421-98	Nebraska	\$139,900.00	Monthly	\$4,000.00	FMV
NE Union Pacific Railroad	9064	HTT W133 Profile Grinder - 1998	26-241-98	Nebraska	\$35,000.00	Monthly	\$400.00	FMV
NE Union Pacific Railroad	11213	Cat 11-286 Wheel Loader - 1998	258463	Nebraska	\$127,172.00	12 Months	\$2,400.00	FMV
NE Union Pacific Railroad	9055	Nordco Anchor Applicator - 1997	5637992	Nebraska	\$62,130.00	Payment 20	\$800.00	FMV
NE Union Pacific Railroad	9055	Crawler Tractor Skid Loader - 1998	239	Nebraska	\$69,650.00	12 Month Ext	\$500.00	FMV
NE Union Pacific Railroad	201 47	Nordco Anchor Applicator - 2000	880272	Nebraska	\$98,125.00	Monthly	\$2,900.00	FMV
NE Union Pacific Railroad	201 46	Nordco Anchor Applicator - 2000	880271	Nebraska	\$98,125.00	12 Months	\$2,900.00	FMV
NE Union Pacific Railroad	20314	Mi-Jack Reach Stacker - 2000	500692	Nebraska	\$460,800.00	24 Months	\$8,500.00	\$370,000.00
NE United Railroad Services, Inc.	A-1	Jackson 900 Tamper - 1998	134658	Ohio	\$53,000.00	48 Months	\$1,235.96	\$1.00

FCM Inventory

Equipment	<i>NOVEL</i> Year	Serial Number	Location	Original Cost
Fairmont RTW200/B Tie Handler	1999	257424	Owosso, MI	\$102,686.00
Fairmont RTW200/B Tie Handler	1999	257426	Owosso, MI	\$102,686.00
Fairmont TR-10 Tie Exchanger	2000	5592430	Owosso, MI	\$188,675.00
Pettibone 441B Speedswing		2113	Owosso, MI	\$75,000.00
Jackson 925ss Tie Inst/Ext	1999	153047	Owosso, MI	\$72,553.00
Jackson 925ss Tie Inst/Ext	1998	152880	Owosso, MI	\$68,250.00
Jackson 950 Tie Crane	1998	152947	Owosso, MI	\$58,195.00
FT Super Gopher Model GO4S	1998	602-20	Columbia, SC	\$485,000.00
FT Super Gopher Model GO4S	1997	602-19	CLN Ind (Canada)	\$485,000.00
Swingmaster 441-B Speedswing	1997	1858	Iowa	\$57,000.00
Jackson 2400 Tamper	2000	15303	Midland, MI	\$126,417.00
Jackson 925 Tie Inst/Ext	2000	18241	Salt Lake City, UT	\$68,203.00
Nordco Bushwacker Bruscutter	1999	114	Milwaukee, WI	\$175,000.00
Jackson 6700 Tamper	1993	?	Owosso, MI	\$211,195.00
Jackson 6700 Tamper	1993	?	Topeka, KS	\$211,195.00
HTT Mark IV Tamper	2000	7101970	Columbia, SC	\$364,715.00
Nordco Model C Spiker	1999	410232	New Jersey	\$192,965.00
Nordco Super Claw	1999	473	New Jersey	\$47,650.00
Nordco Anchor Applicator	2000	269	Florida	\$98,125.00
Nordco Anchor Applicator	2000	270	Florida	\$98,125.00
Nordco Model C Spiker	2000	278	Florida	\$185,665.00
Nordco Anchor Applicator	2000	266	Florida	\$98,125.00
Nordco Anchor Applicator	2000	268	Florida	\$98,125.00
Nordco Anchor Applicator	2000	264	Florida	\$98,125.00
Nordco Anchor Applicator	2000	263	Florida	\$98,125.00
Nordco M-3 Regulator	1998	450041	Pennsylvania	\$131,250.00
Nordco Grabber	1998	330503	Pennsylvania	\$99,750.00
Nordco Anchor Applicator	1999	249	Wisconsin	\$105,450.00
Nordco Autolift	1999	612	Texas	\$51,650.00
Nordco Model C Spiker	1999	234	Wisconsin	\$185,665.00
Nordco Model C Spiker	1999	231	Wisconsin	\$185,665.00
Nordco Model C Spiker	1999	205	Tennessee	\$185,665.00
Nordco Autolift	1999	619	Vermont	\$51,650.00
Nordco Model C Spiker	2000	277	Illinois	\$185,665.00
Nordco Model C Spiker	2000	276	Missouri	\$189,450.00
Nordco Model C Spiker	2000	280	Missouri	\$189,450.00
Nordco Model C Spiker	2000	279	Pennsylvania	\$185,665.00
Nordco Brushcutter	1999	114	Wisconsin	\$275,000.00
Nordco Brushcutter	1999	119	Wisconsin	\$275,000.00
Nordco Ground Hog	2000	GH0102	Florida	\$120,000.00
Nordco Brushcutter	2000	9810	Montreal,	\$275,000.00
Nordco Ballast Regulator	2000		Florida	\$145,000.00
Nordco Ballast Regulator	2000	9917	Ontario, Can	\$150,000.00
Nordco Pyke BC60 Brushcutter	1999	9908	British Columbia, Can	\$246,827.00