

RECORDATION NO. 31626 FILED

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SURFACE TRANSPORTATION BOARD

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March 12, 2015

VIA FEDERAL EXPRESS

Chief of the Section of Administration
Surface Transportation Board
395 "E" Street, SW
Washington, DC 20423

Re: Kasgro Leasing, LLC and Laurel Capital Corporation

Dear Section Chief:

I have enclosed two (2) copies of Finance Lease #3452, dated as of March 6, 2015, and Schedule of Leased Equipment No. 3452-1 thereto, commencing as of March 16, 2015 (collectively, the "Lease"), to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code. The Lease is a primary document as defined in the Board's Rules for the Recordation of Documents.

The name and address of the parties to the Lease are as follows:

Lessee: Kasgro Leasing, LLC
121 Rundle Road
New Castle, PA 16102

Lessor: Laurel Capital Corporation
6600 Brooktree Court, Suite 3000
Wexford, Pennsylvania 15090

A description of the equipment covered by the Lease is as follows:

168 Railcars, as shown on Exhibit A to Schedule 3452-1

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

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Finance Lease #3452, dated March 6, 2015, and Schedule #3452-1 thereto, commencing as of March 16, 2015, each between Kasgro Leasing, LCC and Laurel Capital Corporation.

Also enclosed is a check in the amount of \$43.00 payable to the order of the Surface Transportation Board covering the required recording fee.

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

Very truly yours,

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

William H. Maston

enclosures

CERTIFICATION

I, William H. Maston, an attorney licensed to practice law in the Commonwealth of Pennsylvania, do hereby certify under penalty of perjury that I have compared the attached copies with the originals thereof and have found the copies to be complete and identical in all respects to the original documents.

Dated: 3/12/2015



William H. Maston

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SURFACE TRANSPORTATION BOARD

LAUREL CAPITAL CORPORATION6600 BROOKTREE COURT, SUITE 3000
WEXFORD, PA 15090-0839

P.O. BOX 839

Phone: (724) 933-5200
Fax: (724) 933-5201**FINANCE LEASE****Finance Lease No. 3452**

THIS FINANCE LEASE (this "Lease") is made and effective as of March 6, 2015 (the "Effective Date"), by and between LAUREL CAPITAL CORPORATION ("Lessor") and KASGRO LEASING, LLC, a Pennsylvania limited liability company, with its principal office at 121 Rundle Road, New Castle, PA 16102 ("Lessee").

WHEREAS, Lessee desires that Lessor lease to Lessee certain railcars described below and Lessor is willing to lease the same to Lessee as provided herein;

NOW, THEREFORE, in consideration of the premises, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

- LEASE AGREEMENT.** Lessor hereby leases to Lessee, and Lessee hereby rents from Lessor, all the railcars and other personal property (each individually a "Railcar" and collectively the "Railcars") described in each Schedule of Leased Equipment which is executed by Lessor and Lessee and attached hereto and incorporated herein by reference (as so executed, each an "Equipment Schedule" and together, the "Equipment Schedules") upon the terms and conditions set forth in this Lease, as may be supplemented and amended from time to time, as regards each Railcar, by the terms and conditions set forth in the Equipment Schedule identifying that Railcar. The Railcars described herein include all present and future additions, accessions, substitutions and replacements thereto and (a) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to the Lessee from time to time with respect to any of the Railcars; (b) any and all payments (in any form whatsoever) made or due and payable to the Lessee from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Railcars by any governmental, judicial or public body or authority (or any person acting under color of governmental authority); (c) any and all other amounts from time to time paid or payable under or in connection with any of the Railcars or in connection with any sale or other disposition thereof; and (d) any "Proceeds" of any of the Railcars, as such term "Proceeds" is defined in the Uniform Commercial Code in effect from time to time in the applicable jurisdiction, including but not limited to "Cash Proceeds" as defined therein and proceeds of insurance payable by reason of loss of or damage to the Railcars. Whenever reference is made herein to "this Lease," it shall be deemed to include each of the several Equipment Schedules (and other schedules attached thereto, if any), the insurance schedules (the "Insurance Schedule(s)") and any other schedules referred to and incorporated herein, all of which constitute one undivided lease of the Railcars. Lessor shall have no obligation hereunder until the execution and delivery of an Equipment Schedule by Lessor and Lessee.
- TERM.** The obligations under this Lease commence upon the Effective Date and shall end upon full performance and observance of each and every term, condition and covenant set forth in this Lease and any extensions hereof. The rental term for the Railcars listed in each Equipment Schedule shall commence on the Schedule Commencement Date indicated on and defined in such Equipment Schedule and shall terminate on the last day of the rental term for such Railcars stated in such Equipment Schedule (each, a "Rental Term").

3. **RENT.** The rent for the Railcars described in each Equipment Schedule (the "Rent") shall be the amount stated as Total Rent in such Equipment Schedule. Rent is an absolute obligation of Lessee due upon the inception of each Rental Term with respect to each such Railcar and is payable as specified in each particular Equipment Schedule irrespective of any claims, demands, set-offs, actions, suits or proceedings that Lessee may have or assert against Lessor or any supplier of Railcars. Rent shall be payable to Lessor at its office, 6600 Brooktree Court, Suite 3000, P.O. Box 839, Wexford, PA 15090-0839, or at such other place as Lessor or its assigns may designate in writing to Lessee from time to time.
4. **DELINQUENT RENT PENALTY.** If Lessee shall fail to pay any Rent or other amount due hereunder within ten (10) days after the due date thereof, Lessee shall pay to Lessor a late charge of five percent (5%) of each month's Rent, or the pro rata Rent related to any part of any month for which said Rent or other sums shall be delinquent, until the earlier to occur of all such delinquent sums being paid or all Rent and other sums due hereunder having been declared due and payable under Section 25 below. After and if all Rent and other sums are so declared due and payable, Lessee shall pay interest at the rate of fifteen (15%) percent per annum or the maximum contract rate permitted by law, whichever is less, on the Rent and such other sums from the date of such declaration until paid, and whether or not judgment hereon has been entered.
5. **RAILCARS.**
 - (a) **Identification of Railcars to Schedules.** Lessee and Lessor have agreed that the Railcars leased hereunder to Lessor are identified as the railcars leased under the Current Leases. Lessor is currently in possession of such Railcars, and Lessor shall not be liable for loss or damage occasioned by any cause, circumstance or event of whatsoever nature related thereto. Each such Railcar shall be or has been allocated to an Equipment Schedule in Lessor's sole discretion.
 - (b) **Use.** Lessee agrees to use the Railcars solely in the conduct of its business. Lessee shall not permanently discontinue use of any Railcar. Lessee agrees to use the Railcars, and enter into use agreements with respect to such cars with companies operating within the continental limits of the United States, Canada and Mexico (as described in Section 9 below), for the transportation and handling of commodities that are appropriate for such cars. Lessee agrees that use of any Railcar within Canada and Mexico will be *de minimis* and that any excursions into such countries will be solely for picking up or dropping off loads at a single location therein and promptly returning to the United States. Lessee shall at all times manage the Railcars and shall not permit any other person to manage the Railcars. Lessee agrees (i) that the Railcars shall not be loaded in excess of Association of American Railroads ("A.A.R.") Interchange. Rule limits for gross weight on rail unless otherwise agreed in writing between Lessee and the handling line(s) (but in any case not to exceed the manufacturer's designed load limit); (ii) that Railcars shall not be loaded with commodities that are not appropriate for such Railcars; and (iii) to otherwise use the Railcars only in accordance with the A.A.R. Interchange Rules and applicable industry standards. Further, the Railcars shall be used in accordance with manufacturer's specifications and in accordance with any applicable insurance policies. No car shall be used for transportation of passengers or of material designated as extra-hazardous, radioactive, flammable, or explosive. Lessee agrees that it will not use any Railcar in a manner that could cause the Railcar either to constitute "tax exempt use property" within the meaning of Section 168(h) of the Internal Revenue Code of 1986, as amended (the "Code") or to be deemed to be used "predominantly outside the United States" within the meaning of Section 168(g) of the Code.

- (c) **Records and Mileage Allowance.** Lessee shall be responsible for the preparation and filing of all documents (other than a memorandum of this Lease and related documents for filing with the Surface Transportation Board of the United States Department of Transportation (the "S.T.B.") in each case as Lessor may deem reasonable or necessary to perfect and protect Lessor's title to and interest in the Railcars) relating to the registration and maintenance record keeping functions normally performed with respect to Railcars of the type subject to this Lease, as may be applicable, including but not limited to: (i) registration of the Railcars in the Official Railway Railcar Register and UMLER; and (ii) preparation and filing of any reports or documents as may be required from time to time by the S.T.B. and any other regulatory bodies with respect to the Railcars. Lessee agrees to keep records pertaining to the repairs of the Railcars for the term of this Lease. Upon written request by Lessor, Lessee agrees to promptly furnish Lessor with its summary maintenance, and A.A.R. billing repair reports for the Railcars for maintenance and repairs in excess of \$10,000 in the aggregate. Lessee, or any permitted person using the Railcars under Lessee's authority, shall receive any mileage allowance payable by third parties for use of Railcars during the term of this Lease.
- (d) **Transfer of Railcars by Lessor.** Lessor reserves the right to transfer its rights in whole or in part in the Railcars to another party throughout the duration of this Lease; provided, however, any such sale or assignment shall be subject to Lessee's rights under this Lease. If the Railcars are sold during the term of this Lease, Lessor shall give written notice to Lessee of such sale. Lessor is sole owner of the Railcars. Lessee has no right or title to the Railcars except as provided under this Lease.
- (e) **Compliance with Laws; Operation and Maintenance; Alterations, Additions.**
- (i) Lessee will use the Railcars in a careful and proper manner and will comply with and conform to all laws, judgments, decrees, ordinances and regulations and any other governmental rules, orders and determinations and all requirements having the force of law, now or hereafter enacted, made or issued, whether or not presently contemplated, including (without limitation) compliance with all requirements of zoning laws, labor laws and Environmental Laws, compliance with which is required with respect to the Railcars, whether or not such compliance shall require structural, unforeseen or extraordinary changes to any of the Railcars or the operation, occupancy or use thereof ("Applicable Laws"), including all rules and regulations of the A.A.R. and the Federal Railroad Administration (hereafter referred to as "F.R.A."). "Environmental Law" shall mean any Federal, foreign, state or local law, rule or regulation pertaining to the protection of the environment, including, but not limited to, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA") (42 U.S.C. section 9601 et seq.), the Hazardous Material Transportation Act (49 U.S.C. section 1801 et seq.), the Federal Water Pollution Control Act (33 U.S.C. section 1251 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. section 6901 et seq.), the Clean Air Act (42 U.S.C. section 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. section 2601 et seq.), the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. section 1361 et seq.), and the Occupational Safety and Health Act (19 U.S.C. section 651 et seq.), as these laws have been amended or supplemented, and any analogous foreign, Federal, state or local statutes, and the regulations promulgated pursuant thereto. Lessee will not permit any petroleum, petroleum product, byproduct or breakdown products (in each case other than any inert gas or liquid), radioactive materials, asbestos-containing materials, polychlorinated biphenyls, radon gas or any other chemical, material or substance designated, classified or regulated as hazardous, toxic or as a pollutant under any federal, state or local law, regulation, writ, judgment or judicial or agency interpretation relating to the environment, health, safety or natural resources to be stored or transported in or on any Railcar.

- (ii) Lessee will, or will cause a third party on its behalf to, at its own expense, inspect, test, service, repair, keep and maintain the Railcars (1) in good operating order, repair, condition and appearance, subject to normal wear and tear and obsolescence, and furnish all parts, replacements, mechanisms, devices and servicing required therefor; (2) in accordance with manufacturer's warranties; (3) in compliance with Applicable Laws; (4) at a standard consistent with prudent industry practices; and (5) in all events not less than Lessee's standard practices for similar Railcars owned, operated or leased by Lessee. Lessee will cause each Railcar to be maintained and repaired in conformance with all rules and regulations of A.A.R. and F.R.A. and, if mandated by A.A.R. or F.R.A., will cause the Railcars to be modified so that they will qualify for unrestricted interchange in the United States and remain suitable for the purposes for which the Railcars are intended. All such repairs, parts, replacements, mechanisms, devices, and modifications shall immediately, without further act, become the property of Lessor and part of the applicable Railcar.
- (iii) Lessee will not make or authorize any improvement, change, addition or alteration to any Railcar (1) if such improvement, change, addition or alteration will materially impair the value, expected residual value, utility or remaining useful life of such Railcar as it existed immediately prior to such improvement, change, addition or alteration; (2) if any parts installed in or attached to or otherwise becoming a part of such Railcar as a result of any such improvement, change addition or alteration shall not be readily removable without damage to such Railcar (unless such improvement is mandated by A.A.R., F.R.A. or other agency or organization having jurisdiction over the Railcars); or (3) if such improvement, change, addition, or alteration would violate Applicable Law, including without limitation Internal Revenue Service guidelines (e.g. Rev. Proc. 79-48). All such parts shall be and remain free and clear of any liens other than Permitted Liens (as defined in Section 8(c) below). Any such part attached to any Railcar shall, without further act, become the property of Lessor and part of such Railcar.
- (iv) If any U.S. or state governmental agency or organization having jurisdiction over the operation, safety or use of railroad Railcars requires modification to any Railcars leased hereunder (such Railcars, the "Affected Railcars") in order to qualify the Affected Railcars for operation in railroad interchange service during the term of this Lease (each, a "Required Modification"), Lessee shall cause such Required Modification at Lessee's expense to be made within the time period required thereby.

(f) Identification.

- (i) Other than for Lessor's reporting marks on the Railcars, and the Kasgro Rail builder plates and Kasgro Rail logo, no lettering or marking of any kind shall be placed upon any of the Railcars by Lessee except with the prior written consent of Lessor.
- (ii) Lessee shall at its expense cause each Railcar to be kept marked and numbered with its appropriate identifying car mark and number set forth in the applicable Equipment Schedule. Lessee will not alter, deface, cover or remove such identification. Lessee will not place any Railcars in operation or exercise control or dominion over the same until such car mark and numbers shall have been so marked and number on each Railcar and will replace promptly any such car mark and number which may be removed, defaced or destroyed.

6. **WARRANTY OF LESSOR'S TITLE AND LESSEE'S QUIET POSSESSION.** Lessor warrants and covenants that so long as Lessee faithfully performs this Lease, Lessee, subject to the disclaimer of warranties set forth immediately below, shall be entitled to quietly possess and use the Railcars without interference.
7. **DISCLAIMER OF WARRANTIES.** EXCEPT FOR THE WARRANTIES SET FORTH IN SECTION 6 ABOVE, LESSOR, NOT BEING THE MANUFACTURER OF THE RAILCARS NOR THE MANUFACTURER'S AGENT, DISCLAIMS ANY AND ALL WARRANTIES AND MAKES NO EXPRESS OR IMPLIED WARRANTY OF ANY KIND WHATSOEVER, EITHER EXPRESS OR IMPLIED, WRITTEN OR ORAL, WITH RESPECT TO THE RAILCARS LEASED HEREUNDER OR ANY COMPONENT THEREOF, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY AS TO DESIGN, COMPLIANCE WITH SPECIFICATIONS, QUALITY OF MATERIALS OR WORKMANSHIP, MERCHANTABILITY, FITNESS FOR ANY PURPOSE, USE OR OPERATION, SAFETY, PATENT, TRADEMARK OR COPYRIGHT INFRINGEMENT, OR TITLE. THIS DISCLAIMER OF WARRANTIES INCLUDES BUT IS NOT LIMITED TO ANY WARRANTY REGARDING THE DESIGN OR CONDITION OF THE RAILCARS; THE QUALITY OR CAPACITY OF THE RAILCARS; THE WORKMANSHIP OF THE RAILCARS; COMPLIANCE OF THE RAILCARS WITH THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO; PATENT INFRINGEMENT; OR LATENT DEFECTS; it being agreed that all such risks, as between Lessor and Lessee, are to be borne by Lessee. Lessor is not responsible or liable for any direct, indirect, incidental or consequential damage to Lessee, or any Railcar, or any third party, or any loss resulting from the installation, operation or use of any Railcar, WHETHER BEFORE, DURING OR AFTER THE RENTAL TERM FOR ANY RAILCAR. ALL RAILCARS HEREUNDER ARE BEING LEASED TO LESSEE "AS IS, WHERE IS." Without limiting the foregoing, Lessor shall have no responsibility or liability to Lessee or any other any individual, partnership, corporation, trust, unincorporated organization, government or department or agency thereof and any other entity with respect to any of the following (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Railcar, any inadequacy thereof, any deficiency or defect (latent or otherwise) therein, or any other circumstance in connection therewith; (ii) any interruption of service or loss of business or anticipated profits; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Railcar.
8. **TITLE; NATURE OF RAILCARS.**
- (a) Legal title to each Railcar leased hereunder shall remain with Lessor at all times.
 - (b) Each Railcar shall remain personal property, notwithstanding the manner in which it may be affixed to any real property.
 - (c) Lessee will otherwise take all action required to keep the Railcars free and clear of all levies, liens and encumbrances which result from any act or omission of Lessee, other than Permitted Liens. "Permitted Liens" with respect to the Railcar and each Railcar thereof, shall mean: (i) the interest of Lessee and the Lessor under this Lease; (ii) the liens in favor of First National Bank of Pennsylvania which are subordinate to the rights of Lessor under this Lease; (iii) the interest of Lessee and any permitted user as provided in any Permitted User Agreement pursuant to Section 9 hereof; (iv) any liens thereon for taxes, assessments, levies, fees and other governmental and similar charges not due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings so long as there exists no material risk of sale, forfeiture, loss, or loss of use of any Railcar or any interest therein; (v) any mechanic's, supplier's, materialmen's, laborer's, employee's, repairmen's and other like liens arising in the ordinary course of Lessee's (or if a Permitted User Agreement is then in effect, any permitted user's) business securing obligations which are not due and payable or the amount or validity of which is being contested so long as there exists no material risk of sale, forfeiture, loss or loss of use of any Railcar or any interest therein; or (vi) liens

arising out of any judgment or award against Lessee (or any permitted user permitted pursuant to Section 9 hereof) with respect to which an appeal or proceeding for review is being presented in good faith and with respect to which there shall have been secured a stay of execution pending such appeal or proceeding for review so long as there exists no material risk of sale, forfeiture, loss or loss of use of any Railcar or any interest therein; provided that any contest or appeal in clauses (iv), (v) and (vi) shall last no longer than one hundred eighty (180) days.

- (d) Lessor assumes no liability and makes no representation as to the treatment by Lessee of this Lease, the Railcars, or the Rent payments for financial statement, tax, or other purposes.

9. **SUBLEASE, PERMITTED USER AGREEMENTS AND ASSIGNMENT; SECURITY INTEREST, ETC.**

- (a) Lessee may not sublease, or, subject to clause (c) immediately below, enter into user agreements other than Permitted User Agreements (as defined in clause (c) immediately below) for, any of the Railcars and shall make no transfer or assignment of its interest under this Lease in and to the Railcars without Lessor's prior written consent.
- (b) Notwithstanding the foregoing, with respect to any Permitted User Agreements, (i) Lessee shall remain primarily liable for the payment and performance of all the terms, conditions and provisions of this Lease; (ii) such agreement will be expressly subject and subordinate to this Lease (but in such event Lessor will confirm any right or quiet enjoyment contained in the relevant Permitted User Agreement with each such user), (iii) such agreement shall not extend beyond the lease term with respect to the applicable Railcars; (iv) Lessee shall assign or grant a security interest in any such sublease to Lessor; and (v) Lessee shall obtain from each applicable user with respect to each Permitted User Agreement, and provide to Lessor, a written acknowledgment, in form and substance reasonably satisfactory to Lessor, from such user of the assignment or security agreement described in clause (iv) immediately above.
- (c) Lessor and Lessee hereby agree that certain of the Railcars are or will be subject to the use agreements with third parties (the "Permitted User Agreements"). The Permitted User Agreements shall be subject to the terms set forth in clauses (i), (iii), (iv) and (v) in Section 9(b) above. As security for the due and punctual payment, performance and discharge in full of Lessee hereunder, Lessee hereby assigns and agrees to assign, absolutely and by way of security to Lessor, all of Lessee's right, title and interest, present and future, in and to the Permitted User Agreements and the proceeds and collections thereof, whether now owned or hereafter arising or acquired (collectively the "Railcar Collateral"). For the purposes of this paragraph, this Lease and any such Permitted User Agreements, Lessor may file an Equipment Schedule, or a photocopy thereof or such other form of financing statement or memorandum of lease and security agreement or other documents as maybe appropriate for perfecting such security interest as a financing statement under the UCC or as evidence of such interest with the S.T.B.
- (d) No right, title, or interest in any of the Railcars shall vest in Lessee by reason of this Lease or by reason of the delivery to or use by Lessee of the Railcars, except the right to use the Railcars in accordance with the terms of this Lease.
- (e) Subject to the last sentence of Section 18 below, Lessor may, without the consent of Lessee, assign in whole or in part, this Lease, any Equipment Schedule, any Rent or other amounts due or to become due hereunder. Lessee agrees that it will pay all Rent and other amounts payable under each Equipment Schedule to the lessor named therein; provided, however, if Lessee receives written notice of an assignment from Lessor, Lessee will pay all Rent and other amounts payable under any assigned Equipment Schedule to such assignee or as instructed by Lessor. Each Equipment Schedule,

incorporating by reference the terms and conditions of this Lease, constitutes a separate instrument of lease, and Lessor or its assignee shall have all rights as "Lessor" thereunder separately exercisable by such named Lessor or assignee as the case may be, exclusively and independently of Lessor or any assignee with respect to other Equipment Schedules executed pursuant hereto. Without limiting the foregoing, Lessee further acknowledges and agrees that all obligations of Lessor to Lessee under this Lease and any Equipment Schedule shall be and remain enforceable by Lessee against, and only against, Lessor unless Lessor has assigned this Lease or such Equipment Schedule in whole to an assignee, and such assignee has expressly assumed all of Lessor's obligations hereunder, in which case all obligations of Lessor to Lessee under this Lease or such Equipment Schedule, as the case may be, shall be enforceable by Lessee against, and only against, such assignee. Lessee agrees to cooperate with Lessor in connection with any such proposed assignment, including the execution and delivery of such other documents, instruments, notices, opinions, certificates and acknowledgments, as reasonably may be required by Lessor or such assignee; and Lessee further agrees to confirm in writing receipt of a notice of assignment as reasonably may be requested by assignee. Lessee hereby waives and agrees not to assert against any such assignee any defense, set-off, recoupment claim or counterclaim that Lessee has or may at any time have against Lessor or any other any individual, partnership, corporation, trust, unincorporated organization, government or department or agency thereof and any other entity (collectively, a "Person") for any reason whatsoever. Lessor also reserves the right at any time to pool this Lease and the other documents executed by Lessee in connection with this Lease with one or more other leases originated by Lessor or any other individual, partnership, corporation, trust, unincorporated organization, government or department or agency thereof or any other entity (collectively, a "Person"), and to securitize or offer interests in such pool on whatever terms and conditions Lessor shall determine. Subject to the last sentence of Section 18 below, Lessee consents to Lessor releasing financial and other information regarding Lessee, the Railcars and this Lease and such other Lease documents in connection with any such sale, pooling, securitization or other offering.

(f) Subject always to the foregoing, this Lease inures to the benefit of, and is binding upon, the successors and assigns of the parties hereto (and, without limiting the foregoing, shall bind all Persons who become bound as a "new debtor" to this Lease and any Equipment Schedule, as set forth in UCC Section 9-203(e)).

(g) Neither Kasgro Leasing nor Kasgro Rail Corp., a Pennsylvania corporation ("Kasgro Rail") may change its jurisdiction of organization, its organizational number, its name or the address of its chief executive office without the prior consent of Lessor, such consent not to be unreasonably withheld or delayed, provided that, with respect to a change in name the entity changing its name agrees to execute and file such documents as Lessor may request with the S.T.B. and other governmental agencies to protect Lessor's ownership interest in the Railcars and Lessor's security interest in the Railcar Collateral.

10. **LESSOR'S RIGHT OF INSPECTION.** Lessor and its agents shall have the right at any time and from time to time during business hours to enter upon the premises where any Railcar is located for the purpose of inspection.

11. **USE OF RAILCARS.** Lessee must use the Railcars in a careful and proper manner in conformity with (a) all statutes and regulations of each governmental authority having jurisdiction over Lessee and/or the Railcars and its use, and (b) all policies of insurance relating to the Railcars and/or its use. In addition, Lessee shall not use any Railcar in any manner that would impair the applicability of the Railcar manufacturer's warranties or render any Railcar unfit for its originally intended use or permit anyone other than authorized and competent personnel to operate any Railcar.

12. **ALTERATIONS; IDENTIFICATION.** Without the prior written consent of Lessor, which consent

shall not be unreasonably withheld, Lessee shall not make any alterations, modifications or attachments to the Railcars. Lessee shall make no alteration, modification or attachment which decreases the operating safety of the Railcars. All alterations, modifications and attachments of whatsoever kind or nature made to any Railcar must be removed without damaging the functional capabilities or economic value of the affected Railcar upon the termination of this Lease. Under no circumstances shall any such alteration, modification or attachment be encumbered by Lessee. Lessee shall not remove any identification tags, plates, decals or other identification placed upon the Railcars by Lessor.

13. **MAINTENANCE AND REPAIRS.** Lessee shall at its own expense and without authority to bind Lessor maintain each Railcar in good mechanical condition and running order, normal wear and tear excepted. Further, Lessee shall follow all prescribed maintenance and repair guidelines as listed in any and all maintenance and/or parts manuals provided by the manufacturer or vendor of the Railcars. Immediately upon installation, title to replacement parts shall pass to Lessor, and be deemed part of the Railcars.

14. **RISK OF LOSS, DAMAGE AND THEFT.**

(a) All risk of loss, damage, theft or destruction, partial or complete, to any Railcar incurred or occasioned by any cause, circumstance or event of whatever nature will be borne by Lessee from and after delivery of such Railcar to a carrier FOB point of origin. Lessee shall promptly notify Lessor of any theft of or loss or damage to the Railcars.

(b) Neither a Total Loss nor a Partial Loss (each as defined below) or any inability to use or possess any Railcar for any other reason shall abate the Rent.

(c) A Railcar shall be deemed to be a total loss ("Total Loss") when (i) it has disappeared or otherwise become inaccessible, regardless of the reason for such disappearance or inaccessibility; or (ii) when it has sustained physical damage and the estimated cost of repair exceeds 75% of the fair market value thereof (as determined by an independent appraiser chosen by Lessor) on the date of damage. Lessee's duty to pay Rent for any Railcar subjected to a Total Loss shall be discharged by paying to Lessor the unpaid portion of the Rent specified in the Equipment Schedule for such Railcars. The amount of insurance proceeds applicable to such Total Loss, if any, actually received by Lessor, less the amount of any expenses incurred by Lessor in connection with such Total Loss, including with regard to any disposition of the Railcars (which amount shall be retained by Lessor or, if not so retained, paid directly by Lessee to Lessor), shall be subtracted from the amount for which Lessee is liable under this Section 14(c). Any insurance proceeds not so applied by Lessor under this subsection, if any, shall be paid to Lessee.

(d) Lessee shall cause any Railcars subjected to any loss that is not a Total Loss (a "Partial Loss") to be restored to its original capability and condition. Lessor shall, upon receiving satisfactory evidence of such restoration, promptly pay to Lessee the proceeds of any insurance or compensation received by Lessor by reason of such Partial Loss, less the amount of any expenses incurred by Lessor in connection therewith (which amount shall be retained by Lessor from such insurance proceeds or, if not so retained, paid directly by Lessee to Lessor).

(e) Lessor shall not be obligated to undertake the collection of any claim against any person for either a Total Loss or a Partial Loss with regard to any Railcar. After Lessee discharges its obligations to Lessor under either Section 14(c) or Section 14(d) above, Lessee may, for Lessee's own account, proceed to recover its losses with respect to Railcars subject to a Total Loss or Partial Loss from third parties and shall be entitled to retain any amount recovered. Lessor shall supply Lessee with any necessary assignment of claim.

15. **INDEMNIFICATION.**

- (a) Lessee assumes all liability for, and hereby agrees to indemnify, protect and hold harmless Lessor, its agents, servants, employees, officers, successors and assigns from and against, any and all liabilities, obligations, losses, damages, injuries, claims, demands, penalties, actions, costs and expenses incurred by Lessor, including reasonable attorney's fees, of whatsoever kind and nature (excluding however, those which are the result of the gross negligence or willful misconduct of the Lessor or its employees or agents), arising out of or in connection with (i) the manufacture, installation, use, condition (including, but not limited to, latent and other defects and whether or not discoverable by Lessee or Lessor), operation, ownership, selection, delivery, leasing, removal or return of any Railcar, regardless of where, how and/or by whom operated or incurred, including the use or non-use of property damaged; (ii) from and against any loss, damage or destruction of any Railcar; and (iii) any failure on the part of Lessee to perform or comply with any covenant or condition of this Lease.
- (b) In addition to all other Rent and other amounts payable hereunder, including under subsection (a) immediately above, Lessee agrees to indemnify, protect and hold harmless Lessor, its agents, servants, employees, officers, successors and assigns from and against any and all taxes, license fees, assessments and other governmental charges, fees, fines or penalties of whatsoever kind or character and by whomsoever payable, that are levied, assessed, imposed or incurred by or against Lessor prior to, during or after the term of this Lease, (i) on or relating to each Railcar, including any tax on the sale, ownership, use, leasing, shipment, transportation, delivery or operation thereof and any ad valorem taxes, (ii) on the exercise of any option, election or performance of an obligation by Lessee hereunder, (iii) of the kind generally referred to in items (i) and (ii) immediately above which may remain unpaid as of the date of delivery of any Railcar to Lessee, irrespective of when the same may have been levied, assessed, imposed or incurred, and (iv) by reason of all gross receipts, business, occupation, and like taxes on or measured by Rent or other amounts payable hereunder levied by any state, local or other taxing authority having jurisdiction where any Railcar is located. Lessee agrees to comply with all federal, state and local laws requiring the filing of ad valorem tax returns relating to each Railcar. Any statements for such taxes received by Lessor shall be promptly forwarded to Lessee. This subsection shall not be deemed to obligate Lessee to pay (i) any taxes, fees, assessments and charges which may have been included in Lessor's cost of each Railcar as set forth in any Equipment Schedule(s) hereto, or (ii) any income or like taxes against Lessor on, or measured solely by, the net income of Lessor from the Rent payable hereunder. Lessee shall not be obligated to pay any amount under this subsection so long as it shall, at its expense and in good faith and by appropriate proceedings, contest the validity or the amount thereof unless such contest would adversely affect the title of Lessor to an Railcar or would subject any Railcar to forfeiture or sale. Lessee agrees to indemnify Lessor against any loss, claim, demand and expense, including legal costs and expenses (including reasonable attorney's fees), resulting from such nonpayment or contest.
- (c) Indemnity Payment. Any amount payable pursuant to Section 15(a) or Section 15(b) above shall be payable upon demand of Lessor accompanied by a statement describing in reasonable detail such loss, liability, injury, claim, expense, tax or other amount and setting forth the computation of the amount so payable.
- (d) Survival. The indemnities and assumptions of liabilities and obligations provided for in this Section 15 shall continue in full force and effect without time limit, notwithstanding the expiration or other termination of this Lease.

16. **REPRESENTATIONS AND WARRANTIES.** In connection with this Lease, Lessee makes the following representations and warranties to Lessor:

- (a) Lessee is a duly organized limited liability company ("LLC"), validly existing under the laws of the state of its organization.
- (b) Lessee holds the requisite power to conduct its business as it is currently being conducted, to enter into this Lease and to perform each of its obligations hereunder.
- (c) Lessee is in good standing and is qualified to do business in each jurisdiction where failure to do so would have a material effect on Lessee's ability to perform under this Lease. Such jurisdictions include, without exclusion, each jurisdiction in which a Railcar is located.
- (d) all limited liability company action necessary for Lessee to execute, deliver and perform its obligations under this Lease have been taken by or on behalf of Lessee.
- (e) the execution, delivery and performance under this Lease by Lessee (i) violates neither Lessee's organizational documents, operating agreement, or other documents or agreements related thereto, as applicable, any governmental laws or regulations, nor any other agreements by which Lessee may be bound; and (ii) requires no further governmental approvals or filings.
- (f) To the best of Lessee's knowledge, there are no threatened or pending actions or proceedings before any court, arbitrator or any other governmental or non-governmental entity which, individually or in the aggregate, if determined adversely to Lessee would have a material effect on Lessee's ability to perform its obligations under this Lease.
- (g) Lessee is not in default under any agreement to borrow money, under any lease or under any deferred purchase agreement.
- (h) Any and all financial statements delivered to Lessor by Lessee have been and will continue to be determined in accordance with GAAP and consistently applied.
- (i) Lessee is entering into this Lease for business purposes and not in connection with a consumer transaction.
- (j) Lessee has chosen each Railcar and is satisfied that each such Railcar is suitable for its intended purpose.

17. **LESSEE'S ASSIGNMENT.** Without the prior written consent of Lessor, or as otherwise permitted under Section 9 above, Lessee shall not bail, sublease, hypothecate, assign, transfer or dispose of any Railcar or any interest in this Lease nor impair Lessor's title to and security interest in the Railcars, and any such bailment, sublease, hypothecation, assignment, transfer or disposition without such prior written consent of Lessor shall be null and void and of no force or effect. Lessee shall not assign this Lease, nor shall this Lease or any rights under this Lease or in any Railcar inure to the benefit of any trustee in bankruptcy, receiver, creditor, or other successor of Lessee whether by operation of law or otherwise, without prior written consent of Lessor.

18. **LESSOR'S ASSIGNMENT.** All rights of Lessor hereunder and in any Railcar may be assigned, pledged, mortgaged, transferred, or otherwise disposed of, either in whole or in part, without notice to Lessee. No such assignee shall be obligated to perform any duty, covenant, or condition required to be performed by Lessor under the terms of this Lease unless Lessor and such assignee otherwise agree. Such assignee shall have all rights, powers and remedies given to Lessor by this Lease, and shall, if required by Lessor or such assignee, be named as loss payee or co-insured under all policies of insurance maintained pursuant to Section 19 hereof. If Lessor assigns this Lease or the monies due or to become due hereunder or any other interest herein, Lessee agrees not to assert against Lessor's assignee any defense, set-off, recoupment, claim or counterclaim which Lessee may have against Lessor, whether arising under this Lease or any other transaction between Lessor and Lessee. Notwithstanding anything to the contrary in

this Lease, Lessor shall not (i) assign, sell or transfer this Lease, any Equipment Schedule or the Railcars, or any interest in the foregoing, or (ii) disclose any of the financial information concerning Lessee or Kasgro Rail provided by Lessee to Lessor, to any entity that is a direct competitor of Lessee.

19. **INSURANCE.** Lessee will at its own expense insure each Railcar in compliance with the terms and conditions of the Insurance Schedule(s) attached hereto or incorporated herein by reference in form and in an amount satisfactory to Lessor with insurance carriers approved by Lessor. The proceeds of any insurance policy due by reason of theft or loss of or damage to any Railcars shall be applied as provided in Section 14 hereof. In addition to the compliance with the terms and conditions of the Insurance Schedule(s) and the other terms and conditions of this Section 19, Lessee shall comply with the following conditions:
- (a) Lessee, prior to the inception of any Rental Term, shall deliver to Lessor all required certificates of insurance.
 - (b) Lessee shall cause each insurer to agree by endorsement on the policies or certificates of insurance or by an independent instrument furnished Lessor that each such insurer will give at least thirty (30) days prior written notice to Lessor before any such policy or policies of insurance will be altered or canceled for any reason, including without limitation, failure of Lessee to pay premiums.
 - (c) All coverage required by the Insurance Schedule(s) must be in effect when Lessor takes delivery of any Railcars or causes delivery of any Railcars to be made FOB point of origin.
 - (d) All insurance policies must indicate that Lessor and its successors and assigns are each an additional insured for all aspects of liability insurance coverage and are each a loss payee for all aspects of insurance coverage relating to the theft or loss of or damage to Railcars. The proceeds of any public liability or property damage insurance shall be applied first to the extent of Lessor's, or Lessor's assignee's or assignees', liability.
 - (e) Lessee will furnish renewal policies or renewal certificates of insurance (in triplicate) listing each of Lessor and its successors and assigns as an additional insured and/or loss payee, as required by this Lease, no later than thirty (30) days prior to the expiration of any insurance coverage required hereby.
20. **ADDITIONAL DOCUMENTS.** At any time and from time to time, upon the written request of Lessor, and at the sole expense of Lessee, Lessee will promptly and duly execute and deliver such further instruments and documents and take such further action as Lessor may reasonably request for the purpose of obtaining or preserving the full benefits of this Lease and of the rights and powers herein granted, including, without limitation, the filing and/or recording of any financing or continuation statements under the Uniform Commercial Code in effect on the Effective Date and as amended from time to time (the "UCC"), of the governmental body having jurisdiction with respect to Lessor's interest in all or any portion of the Railcars. Any such filing or recording shall not be deemed evidence of any intent to create a security interest. Further,
- (a) Each executed copy of this Lease will be an "original." To the extent, if any, that this Lease constitutes chattel paper (as such term is defined in the UCC) no security interest in this Lease may be created through the transfer or possession of any counterpart other than an original.
 - (b) There shall be only one original of each Equipment Schedule. To the extent, if any, that any Equipment Schedule(s) constitutes chattel paper (or as such term is defined in the UCC) no security interest in any Equipment Schedule(s) may be created in any document(s) other than an original.

21. **FURNISHING FINANCIAL INFORMATION; FINANCIAL COVENANT.** During the term of this Lease and any extensions or renewals hereof:

(a) Lessee will furnish to Lessor:

(i) Within thirty (30) days after the end of each of the first three quarterly periods of Lessee's fiscal year, a balance sheet, statement of income and statement of cash flow of Lessee as at the close of such quarterly period from the beginning of the fiscal year to the date of such statement, prepared in accordance with generally accepted accounting principles, consistently applied, and in such reasonable detail as Lessor may request, certified as true, complete and correct by an authorized officer of Lessee.

(ii) As soon as practicable, but in any event within ninety (90) days after the end of each fiscal year, a copy of Lessee's annual tax returns and annual financial statements (including balance sheet and statement of income) as at the close of such fiscal year, prepared in accordance with generally accepted accounting principles, by a certified public accountant selected by Lessee and satisfactory to Lessor.

(b) The following financial covenant shall be maintained on a rolling twenty four (24) month basis with regard to Lessee and Kasgro Rail, collectively, as valued on the first day of each calendar quarter during the term of this Lease:

(Net income + depreciation + amortization + all other non-cash expenses + distributions for tax reimbursement to equity owners of Lessee as permitted under this Lease, all as for Lessee), plus (net income + depreciation + amortization + all other non-cash expenses + distributions for tax reimbursement to equity owners of Kasgro Rail, as permitted under that certain Guaranty and Suretyship Agreement (Business Purpose) given by Kasgro Rail to Lessor, dated March 6, 2015 (the "Guaranty"), all as for Kasgro Rail), for the applicable period;

divided by:

(expense for current principal portion of long-term debt plus expense for current portion of capital leases, as for Lessee), plus (expense for current principal portion of long-term debt plus expense for current portion of capital leases, as for Kasgro Rail), for the applicable period;

of not less than 1:1.

22. **PERFORMANCE OF OBLIGATIONS OF LESSEE BY LESSOR.** If Lessee fails to promptly perform any of its obligations under this Lease, Lessor may, after providing notice to Lessee and allowing Lessee a reasonable period of time in which to cure its non-performance (not to exceed any applicable cure period related to such non-performance set forth in Section 24 below), perform the same for the account of Lessee without waiving Lessor's right to declare Lessee's failure as a default; provided, that if Lessor determines, in its sole discretion, that such performance is immanently necessary, it may perform the same without such notice and cure period. All sums paid or expense or liability incurred by Lessor in such performance (including reasonable legal fees) together with interest thereon at the highest contractual rate enforceable against Lessee, but never at a higher rate than 15% per annum, shall be payable by Lessee upon demand as additional rent.

23. **PURCHASE AT END OF RENTAL TERM.** Lessee shall purchase all, but not less than all, of the Railcars listed on each individual Equipment Schedule at the price specified for such Railcars in such Equipment Schedule at the end of the Rental Term.

Upon the consummation of such purchase, the Rent related to the purchased Railcars shall be deemed to have been paid in full and title to such items shall be deemed to have passed from Lessor to Lessee. Lessor will execute and deliver to Lessee a Bill of Sale describing the Railcars purchased pursuant to this Section 23. The Bill of Sale shall be without recourse to Lessor. Lessor shall deliver title to such Railcars free of any lien or encumbrance created by any act of Lessor.

The purchase of any Railcars by Lessee hereunder shall occur AS IS, WHERE IS, WITHOUT ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER (OTHER THAN AS PROVIDED IN THE IMMEDIATELY PRECEDING SENTENCE ABOVE), INCLUDING BUT NOT LIMITED TO ANY EXPRESS OR IMPLIED WARRANTY OF ANY KIND WHATSOEVER WITH RESPECT TO SUCH RAILCARS. THIS DISCLAIMER OF WARRANTIES INCLUDES BUT IS NOT LIMITED TO ANY WARRANTY REGARDING: THE MERCHANTABILITY OF SUCH RAILCARS OR THEIR FITNESS FOR ANY PARTICULAR PURPOSE; THE DESIGN OR CONDITION OF SUCH RAILCARS; THE QUALITY OR CAPACITY OF SUCH RAILCARS; THE WORKMANSHIP OF SUCH RAILCARS; COMPLIANCE OF SUCH RAILCARS WITH THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO; PATENT INFRINGEMENT; OR LATENT DEFECTS.

24. **EVENTS OF DEFAULT.** Any of the following events or conditions shall constitute an event of default hereunder (each, an "Event of Default") and entitle Lessor, at its option, to avail itself of the remedies more fully set forth in Section 25 hereof:

- (a) Non-payment by Lessee of any Rent or other amount provided for in this Lease within ten (10) days of when the same becomes due whether by acceleration or otherwise.
- (b) Failure of Lessee to perform any of the non-monetary obligations, terms or conditions of this Lease, which failure has not been cured within thirty (30) days of Lessee's receipt of a written notice from Lessor.
- (c) Lessee shall commence a voluntary case or other proceeding seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect, or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or the taking possession by any official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of its creditors, or shall suspend business or commit any act constituting a business failure, or shall fail generally to pay its debts as they become due, or shall take any corporate or other action to authorize any of the foregoing.
- (d) If an involuntary case or other proceeding should be commenced against Lessee seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect, or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of thirty (30) days.
- (e) If Lessee shall be in default under any other obligation with Lessor.
- (f) If Lessee shall sell, transfer or otherwise dispose of more than forty nine percent (49%) of its assets in one transaction or a series of related transactions.
- (g) If Lessee shall be in default under any other obligation with Lessor, or one or more judgments for the payment of money in excess of \$100,000 shall have been entered against Lessee and Lessee shall not have set aside on its books adequate reserves (as may be required in accordance with GAAP) therefor.

- (h) The occurrence of any event described in subsections (c) through (g) of this Section 24 with respect to any guarantor or any other party liable for payment or performance of this Lease.
- (i) An event of default occurs under the Guaranty.
- (j) A change of more than forty nine percent (49%) of the equity interests in Lessee, as measured from and after the date hereof, shall occur without the prior written consent of Lessor.
- (k) Any certificate, statement, representation, warranty or financial statement heretofore or hereafter furnished pursuant to or in connection with this Lease by or on behalf of Lessee or any guarantor or other party liable for payment or performance of this Lease is false in any material respect at the time as of which the facts therein set forth were stated or certified, or omits any substantial contingent or unliquidated liability or claim against Lessee or any such guarantor or other party, or, upon the date of execution of this document or any schedule hereto, there shall have been any materially adverse change in any of the facts disclosed by any such certificate, statement, representation or warranty, which shall not have been disclosed in writing to Lessor at or prior to the time of the execution of this document or such schedule.

25. **REMEDIES.** Upon the happening of any Event of Default hereunder, the rights and duties of the parties shall be as set forth in this Section 25.

- (a) Upon Lessor's demand, the Railcars shall be promptly delivered to Lessor, at that place or those places designated by Lessor. If Lessee does not so deliver the Railcars, Lessee shall make the Railcars available for retaking and authorizes Lessor, its employees and agents to enter the premises of Lessee and any other premises (insofar as Lessee can permit) for the purpose of retaking. Upon such delivery or retaking, Lessor may hold and keep idle the same or any portion thereof. In the event of retaking, Lessee expressly waives all rights to possession and all claims for injuries suffered through or loss caused by retaking. Any repossession accomplished under this Section 25(a) shall not release Lessee from liability for damages of Lessor sustained by reason of Lessee's default hereunder.
- (b) Lessor may revoke Lessee's privilege of paying Rent in installments and Lessor may declare all Rent and other sums due hereunder to be immediately due and payable, including but not limited to that portion of the Rent specified in the Equipment Schedule for all Railcars then remaining unpaid plus all other sums due and unpaid and all costs and expenses, including commissions, reasonable legal fees and disbursements (in-house or otherwise) and other expenses incurred by Lessor as a result of the Event of Default and the exercise of Lessor's remedies with respect thereto. To the extent Lessee has not paid Lessor the amounts specified in this Section 25, Lessee will forthwith pay such amounts to Lessor plus interest at the interest rate set forth in the last sentence of Section 4 above, computed from the date the total amount due under this Lease is payable hereunder until such amounts are paid in full.
- (c) Lessor may sell or re-lease any Railcars at public auction or by private sale or lease 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 law, any notice in writing of such sale or lease by Lessor to Lessee by first class, certified or registered mail to Lessee given not less than ten (10) days prior to the date thereof shall constitute commercially reasonable notice thereof to Lessee. All proceeds of the sale or re-leasing, or both (less (i) all expenses incurred in retaking all or any of the Railcars, making necessary repairs to the Railcars or any Railcars and enforcing this Lease, (ii) all damages that Lessor shall have sustained by reason of Lessee's default, and (iii) reasonable attorney's fees) shall be

credited against Lessee's liability hereunder as and when received by Lessor. Sums in excess of Lessee's liability shall belong to Lessor. Lessee shall be liable for any deficiency.

- (d) The provisions of this Section 25 shall not prejudice Lessor's right to recover or prove damages for unpaid Rent or other unpaid amounts hereunder accrued prior to default, or bar an action for a deficiency as herein provided, and the bringing of an action with an entry of judgment against Lessee shall not bar Lessor's right to repossess any or all Railcars. The exercise of any of the foregoing remedies by Lessor will not constitute a termination of this Lease unless Lessor specifically elects to terminate. This Lease shall continue in full force and effect as to any remaining Equipment Schedule. Any termination hereunder shall occur only upon written notice by Lessor and only to such Railcars as Lessor specifically elects to terminate. This Lease shall continue in full force and effect with respect to any remaining Railcars. No remedy referred to in this Section 25 is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor at law or in equity.
- (e) Lessor's remedies shall be available to Lessor's successors and assigns, shall be in addition to all other remedies provided by law, and may be exercised concurrently or consecutively. **TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, LESSEE WAIVES ANY AND ALL RIGHTS TO NOTICE AND TO JUDICIAL HEARING WITH RESPECT TO THE REPOSSESSION OF ANY RAILCARS BY LESSOR IN THE EVENT OF A DEFAULT HEREUNDER BY LESSEE. LESSEE IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM OR ANY OTHER LITIGATION OR PROCEEDING UPON, ARISING OUT OF, OR RELATED TO THIS LEASE, ANY EQUIPMENT SCHEDULE OR RELATED AGREEMENT, OR THE DEALINGS OR RELATIONSHIP BETWEEN OR AMONG LESSOR AND LESSEE OR ANY OTHER PERSON OR PERSONS.**
- (f) **Waivers.** To the full extent permitted by applicable law, Lessee hereby waives Lessee's rights, if any, to: (i) cancel or repudiate this Lease; (ii) reject or revoke acceptance of the Railcars after Lessee has accepted such Railcars (pursuant to a Certificate of Acceptance or otherwise); (iii) a security interest in the Railcars in Lessee's possession or control for any reason; (iv) deduct all or any part of any claimed damages resulting from Lessor's default if any, under this Lease; (v) accept partial delivery of the Railcars; (vi) "cover" by making any purchase or lease of or contract to purchase or lease railcars in substitution for the Railcars due from Lessor during the Lease term; (vii) recover any general, special, incidental or consequential damages, for any reason whatsoever; and (viii) specific performance, replevin, detinue, sequestration, claim and delivery or the like for any Railcars identified to this Lease. To the extent permitted by applicable law, Lessee also hereby waives any rights now or hereafter conferred by statute or otherwise which may require Lessor to sell, lease or otherwise use any Railcars in mitigation of Lessor's damages as set forth in this Section 25 or which may otherwise limit or modify any of Lessor's rights or remedies under this Section 25.
- (g) **No Consequential Damages.** It is further agreed that Lessor shall have no liability to Lessee, Lessee's customers, or any third parties for any direct, indirect, special or consequential damages arising out of this Lease or any Schedule or concerning any Railcars, or for any damages based on strict liability or absolute tort liability or Lessor's negligence; provided, however, that nothing in this Lease shall deprive Lessee of any rights it may have against any person other than Lessor. Lessee shall look solely to manufacturer or vendor for any and all claims and warranties relating to the Railcars.

26. **GOVERNING LAW AND CONSENT TO JURISDICTION.**

- (a) This Lease has been executed and delivered in the Commonwealth of Pennsylvania. The laws and decisions of said Commonwealth will govern and control the construction,

enforceability, validity and interpretation of this Lease, and of all agreements, instruments and documents, heretofore, now or hereafter executed by Lessee and delivered to Lessor pertaining or relating to this Lease or the transactions contemplated herein, but without giving effect to such Commonwealth's conflict of laws principles that would make the laws of any other jurisdiction applicable to this Lease.

- (b) **LESSEE AGREES THAT ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS LEASE MAY BE COMMENCED IN THE COURT OF COMMON PLEAS OF ALLEGHENY COUNTY, PENNSYLVANIA, OR IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF PENNSYLVANIA AND LESSEE AGREES THAT, IN ADDITION TO ANY OTHER MANNER OF SERVICE PRESCRIBED BY LAW OR RULE OF COURT, A SUMMONS AND COMPLAINT COMMENCING AN ACTION OR PROCEEDING IN EITHER SUCH COURT SHALL BE PROPERLY SERVED UPON LESSEE AND SHALL CONFER PERSONAL JURISDICTION IF SERVED PERSONALLY OR BY UNITED STATES REGISTERED MAIL, RETURN RECEIPT REQUESTED, TO LESSEE AT THE ADDRESS SET FORTH IN THE MOST RECENT EQUIPMENT SCHEDULE RELATING HERETO, OR AT SUCH ADDRESS AS SUCH PARTY MAY OTHERWISE PROVIDE IN WRITING FROM TIME TO TIME. LESSEE HEREBY CONSENTS TO SUCH PERSONAL JURISDICTION.**


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27. **JUDGMENT BY CONFESSION. LESSEE, TO THE EXTENT PERMITTED BY LAW, AND WITHOUT FURTHER CONSENT OF OR NOTICE THERETO, HEREBY IRREVOCABLY AND UNCONDITIONALLY AUTHORIZES THE PROTHONOTARY, CLERK OF COURT, OR ANY ATTORNEY OF ANY COURT OF RECORD IN THE COMMONWEALTH OF PENNSYLVANIA AS ATTORNEY FOR LESSEE TO APPEAR FOR LESSEE IN SUCH COURT AND, WITH OR WITHOUT ONE OR MORE COMPLAINTS FILED, CONFESS JUDGMENT OR JUDGMENTS AGAINST LESSEE IN FAVOR OF LESSOR, AND ITS SUCCESSORS AND ASSIGNS, AT ANY TIME FOLLOWING THE OCCURRENCE OF AN EVENT OF DEFAULT HEREUNDER FOR ALL OR ANY PORTION OF SUMS DUE UNDER THIS LEASE, TOGETHER WITH COSTS OF SUIT AND ATTORNEY'S COMMISSION OF FIFTEEN PERCENT (15%) OF SUCH SUMS FOR COLLECTION, WITH RELEASE OF ALL ERRORS AND WAIVER OF ANY RIGHT TO A STAY OF EXECUTION, FOR WHICH THIS LEASE OR A VERIFIED COPY HEREOF SHALL BE SUFFICIENT WARRANT. THE AUTHORITY TO ENTER JUDGMENT SHALL NOT BE EXHAUSTED BY ONE EXERCISE HEREOF, BUT, TO THE EXTENT PERMITTED BY LAW, SHALL CONTINUE FROM TIME TO TIME UNTIL FULL PAYMENT OF ALL AMOUNTS HEREUNDER. THE FOREGOING RIGHT AND REMEDY IS IN ADDITION TO AND NOT IN LIEU OF ANY OTHER RIGHT OR REMEDY AVAILABLE TO LESSOR UNDER THIS LEASE OR OTHERWISE.**

LESSEE, BEING FULLY AWARE OF THE RIGHT TO PRIOR NOTICE AND A HEARING CONCERNING THE VALIDITY OF ANY AND ALL CLAIMS THAT MAY BE ASSERTED AGAINST LESSEE BY LESSOR BEFORE A JUDGMENT CAN BE RENDERED HEREUNDER OR BEFORE EXECUTION MAY BE LEVIED ON SUCH JUDGMENT AGAINST ANY AND ALL PROPERTY OF LESSEE, HEREBY WAIVES THESE RIGHTS AND AGREES AND CONSENTS TO JUDGMENT BEING ENTERED BY CONFESSION IN ACCORDANCE WITH THE TERMS HEREOF WITHOUT FIRST GIVING NOTICE AND THE OPPORTUNITY TO BE HEARD ON THE VALIDITY OF THE CLAIM OR CLAIMS UPON WHICH SUCH JUDGMENT IS ENTERED.

LESSOR MAY CONFESS ONE OR MORE JUDGMENTS FOR ALL OR ANY PART OF THE AMOUNT OWING HEREUNDER, WITHOUT REGARD TO WHETHER JUDGMENT HAS THERETOFORE BEEN CONFESSED ON MORE THAN ONE OCCASION FOR THE SAME AMOUNT. IN THE EVENT ANY JUDGMENT CONFESSED AGAINST LESSEE HEREUNDER IS STRICKEN OR OPENED UPON APPLICATION BY OR ON LESSEE'S BEHALF FOR ANY

REASON, LENDER IS HEREBY AUTHORIZED AND EMPOWERED TO AGAIN APPEAR FOR AND CONFESS JUDGMENT AGAINST LESSEE FOR ANY PART OR ALL OF THE AMOUNTS OWING HEREUNDER, AS PROVIDED FOR HEREIN, IF DOING SO WILL CURE ANY ERRORS OR DEFECTS IN SUCH PRIOR PROCEEDINGS.

LESSEE ACKNOWLEDGES AND AGREES THAT LESSOR MAY, AFTER ENTRY OF JUDGMENT, FORECLOSE UPON, ATTACH, LEVY, TAKE POSSESSION OF OR OTHERWISE SEIZE PROPERTY OF LESSEE IN FULL OR PARTIAL PAYMENT OF THE JUDGMENT. BEING FULLY AWARE OF ITS RIGHTS AFTER JUDGMENT IS ENTERED (INCLUDING THE RIGHT TO MOVE OR OPEN OR STRIKE THE JUDGMENT), LESSEE HEREBY FREELY, KNOWINGLY AND INTELLIGENTLY WAIVES THESE RIGHTS AND EXPRESSLY AGREES AND CONSENTS TO LESSOR TAKING SUCH ACTIONS AS MAY BE PERMITTED UNDER APPLICABLE STATE AND FEDERAL LAW WITHOUT PRIOR NOTICE TO LESSEE.


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28. **PREPAYMENT.** Lessee shall have no right to prepay this Lease or any Rent set forth on an Equipment Schedule hereto, in whole or in part, unless specified in an Early Termination/Prepayment Schedule related to such Equipment Schedule and attached thereto, as applicable.
29. **ADDITIONAL COLLATERAL.** Lessee agrees that any and all collateral held by Lessor as security for other obligations of Lessee to Lessor shall also be deemed to be collateral security for this Lease. Lessee further agrees that the collateral held by Lessor as security for this Lease shall be deemed to be and is held by Lessor as collateral security for any and all other obligations of Lessee to Lessor.
30. **CONFLICT OF PROVISIONS.** In the event of any conflict of provisions between any Equipment Schedule and this Lease (other than such Equipment Schedule) or any other document related to this Lease or to any Railcars, the provisions of such Equipment Schedule shall control.
31. **AMENDMENTS AND WAIVERS.** This Lease, including all schedules attached hereto and attached to any such schedules constitutes the entire agreement between Lessor and Lessee with respect to the Railcars and the subject matter of this Lease. No term or provision of this Lease may be changed, waived, amended or terminated except by a written agreement signed by both Lessor and Lessee, except that Lessor may insert on the appropriate Equipment Schedule the serial number of any Railcar after delivery thereof. No express or implied waiver by Lessor of any Event of Default hereunder shall in any way be, or be construed to be, a waiver of any future or subsequent Event of Default whether similar in kind or otherwise.
32. **NOTICES.** Except as otherwise provided in Section 31 above, service of all notices under this Lease shall be sufficient if given personally or mailed to the party involved at its respective address set forth in the most recent Equipment Schedule relating hereto, or at such address as such party may otherwise provide in writing from time to time or, if sent by registered or certified U.S. mail, on the fifth business day after the day on which mailed, addressed to such party at such address:
33. **GENDER; NUMBER; JOINT AND SEVERAL LIABILITY.** Whenever the context of this Lease requires, the neuter gender includes the masculine and the feminine, and the singular number includes the plural. Whenever the word Lessor is used herein, it shall include all assignees of Lessor. If there is more than one Lessee named in this Lease, the liability of each shall be joint and several.

34. **SUPPLIER NOT AN AGENT OF LESSOR.** Lessee understands and agrees that neither the manufacturer, seller or supplier, nor any salesperson or other agent of the manufacturer, seller or supplier, is an agent of Lessor. No salesperson or agent of the manufacturer, seller or supplier is authorized to waive or alter any term or condition of this Lease, and no representation as to Railcars or any other matter by manufacturer, seller or supplier shall in any way affect Lessee's duty to pay Rent and perform its other obligations as set forth in this Lease.
35. **CONSENT.** Whenever the consent of Lessor is required under this Lease, such consent may be unreasonably withheld or denied in Lessor's sole and absolute discretion unless explicitly stated otherwise.
36. **BINDING AGREEMENT.** Subject to Section 17 and Section 18 hereof, this Lease inures to the benefit of, and is binding upon, the successors and assigns, as applicable, of the parties hereto.
37. **TITLES.** The titles to the Sections of this Lease are solely for the convenience of the parties, and are not an aid in the interpretation hereof.
38. **SEVERABILITY OF PROVISIONS.** If any provision of this Lease, or the application of such provision to any person or circumstance, shall be held invalid under the applicable law of any jurisdiction, the remainder of this Lease or the application of such provision to other persons or circumstances or in other jurisdictions shall not be affected thereby. Also, if any provision of this Lease is invalid or unenforceable under any applicable law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform to such law. Any provision hereof that may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision hereof.
39. **RECORDING; MEMORANDUM OF LEASE.** Lessee acknowledges that Lessor will either record this Lease, or record a Memorandum of Lease with regard to this Lease (the "Memorandum"), with the S.T.B. in accordance with Section 11301 of Title 49 of the U.S. Code. Lessee agrees to execute such Memorandum in a form approved by Lessor. In the event of any conflict between the Memorandum and this Lease, this Lease shall control.

LAUREL CAPITAL CORPORATION

6600 BROOKTREE COURT, SUITE 3000•
WEXFORD, PA 15090-0839

P.O. BOX 839

Phone: (724) 933-5200

Fax: (724) 933-5201

SCHEDULE OF LEASED EQUIPMENT Schedule Number 3452-1

Lessee (Complete Name and Address):

KASGRO LEASING, LLC
121 Rundle Road
New Castle, PA 16102

Supplier (Complete Name and Address):

Kasgro Rail Corp.
121 Rundle Road
New Castle, PA 16102

1. This Schedule of Leased Equipment (this "Schedule") is hereby made a part of the Finance Lease between the undersigned Lessor and the undersigned Lessee, dated as of March 6, 2015 (the "Lease"). All terms and conditions of said Lease are incorporated herein by reference. All capitalized terms used herein but not defined herein shall have their respective definitions provided therefor in the Lease. To the extent of a conflict between the Lease and this Schedule, this Schedule shall control.

2. The railcars subject to the Lease and this Schedule (the "Railcars") are set forth on Exhibit A attached hereto.

[Include all taxes levied at the time of sale, or include in Block 4.E below, whichever is appropriate in jurisdiction where Railcars is located]

THE TOTAL RAILCARS COST INCLUDING TAXES IS:

\$20,019,500.00

3. The Railcars shall only be located at those locations permitted under the Lease without the Lessor's prior written consent.

The Railcars described herein shall include all present and future additions, accessions, substitutions and replacements thereto, as more fully described in Section 1 "LEASE AGREEMENT" of the Lease.

4. The original term of the Lease solely as to the Railcars described in this Schedule commences on March 16, 2015 (the "Schedule Commencement Date") and terminates on March 1, 2020, unless sooner terminated under the terms of the Lease. As rent for the Railcars, Lessee shall pay total rent set forth below (the "Total Rent") plus tax, if any, as provided below and until all such payments set forth below have been paid in full, as follows:

A Security Deposit (if any)	B Number and Type of Payments	C Date Payments Commence	D Amount of Payment	E Tax on Payment (if any)	F Total Payment	G Date Payments Terminate
	59 monthly	4/1/2015	\$261,240.00	\$0.00	\$261,240.00	2/1/2020

5. On March 1, 2020, which is the end of the Rental Term for the Railcars described herein, Lessee shall, pursuant and subject to Section 23 of the Lease ("PURCHASE AT END OF RENTAL TERM"), purchase all but not less than all of the items of Railcars listed herein for \$8,653,870.00, upon which title to the Railcars (other than as described in Section 9 below, if applicable) shall transfer to Lessee.

6. By executing and delivering to Lessor the Lessee Acceptance Certificate attached hereto, Lessee warrants, covenants and agrees that (a) Lessee has received all Railcars described in this Schedule at the location described in Section 3 above; (b) Lessee has duly inspected and accepts such Railcars without reservations; (c) Lessee is unconditionally bound to pay to Lessor the Total Rent and other payments due under the Lease, whether or not any Railcars described herein may now be or hereafter become unsatisfactory in any respect; and (d) notwithstanding anything contained herein, Lessor and Lessee shall continue to have all rights which either of them might otherwise have with respect to the Railcars described herein against any manufacturer or seller of said Railcars or any part hereof.

SIGNATURES - IN INK

Date: 3/9/15

Date: 3-9-15

LESSOR:

LAUREL CAPITAL CORPORATION

LESSEE:

KASGRO LEASING, LLC

By: [Signature]

Title: CEO

By: [Signature]

Title: Jeffrey A. Plut
Chief Financial Officer

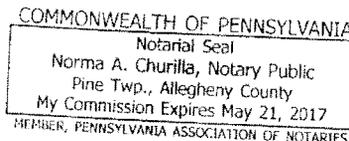
Commonwealth of Pennsylvania)
County of Allegheny) ss:

On this 9th day of March, 2015, before me personally appeared Jeffrey A. Plut, to me personally known, who being by me duly sworn, says that he is the Chief Financial Officer of Kasgro Leasing, LLC, a Pennsylvania limited liability company, that the foregoing instrument was executed under seal, that said instrument was signed and sealed on behalf of said company by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

[Signature]

Signature of Notary Public

SEAL



Commonwealth of Pennsylvania)
County of Allegheny) ss:

On this 9th day of March, 2015, before me personally appeared William C. Zopf, Jr., to me personally known, who being by me duly sworn, says that he is the CEO of Laurel Capital Corporation, a Pennsylvania corporation, that the foregoing instrument was executed under seal, that said instrument was signed and sealed on behalf of said company by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

[Signature]

Signature of Notary Public

SEAL

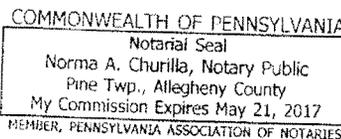


EXHIBIT A

Various Railcars

	KRL Car #	KRL Car #	KRL Car #	KRL Car #
1	370350	44 70871	87 70930	130 70000
2	370351	45 70872	88 25975	131 70001
3	370352	46 70873	89 25976	132 70002
4	370353	47 70874	90 25977	133 70003
5	370354	48 27800	91 25978	134 70004
6	370355	49 701200	92 300300	135 70005
7	370356	50 701201	93 832002	136 70006
8	370357	51 300301	94 27102	137 70007
9	370358	52 340324	95 27103	138 70008
10	370359	53 340323	96 70905	139 70009
11	370360	54 370389	97 70904	140 70010
12	370363	55 370387	98 70901	141 70011
13	370370	56 370388	99 70899	142 70012
14	70843	57 370390	100 70893	143 70013
15	70844	58 370391	101 70883	144 70014
16	70845	59 701203	102 70876	145 70015
17	70846	60 701204	103 70875	146 70016
18	70847	61 701205	104 300303	147 70017
19	50804	62 701206	105 300304	148 12450
20	50805	63 701207	106 340325	149 25960
21	50806	64 701208	107 340326	150 25961
22	50807	65 701209	108 701211	151 25968
23	50808	66 70909	109 701212	152 25969
24	50809	67 70910	110 701213	153 25970
25	163200	68 70911	111 701214	154 45600
26	163201	69 70912	112 701215	155 45601
27	388000	70 70913	113 701216	156 70964
28	388001	71 70914	114 701217	157 70965
29	388005	72 70915	115 701218	158 70966
30	27801	73 70916	116 701219	159 70970
31	27802	74 70917	117 701220	160 70971
32	27803	75 70918	118 127000	161 70973
33	27804	76 70919	119 127001	162 70974
34	27805	77 70920	120 89119	163 70975
35	70848	78 70921	121 89120	164 70976
36	70849	79 70922	122 89121	165 70977
37	70850	80 70923	123 89122	166 89115
38	70851	81 70924	124 89123	167 89116
39	70852	82 70925	125 89124	168 340320
40	70866	83 70926	126 89125	
41	70867	84 70927	127 89126	
42	70868	85 70928	128 89127	
43	70870	86 70929	129 89128	