

ALVORD AND ALVORD PLLC  
ATTORNEYS AT LAW  
1050 SEVENTEENTH STREET, N.W.  
SUITE 301  
WASHINGTON, D.C.

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

20036

PHONE: (202) 393-2266

FAX: 1-855-600-2836

E-MAIL: [alvord@alvordlaw.com](mailto:alvord@alvordlaw.com)

WEBSITE: [www.alvordlaw.com](http://www.alvordlaw.com)

April 2, 2015

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

Dear Section Chief:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Security Agreement and Assignment of Rents and Lessor's Interest in Lease for Security Purposes, dated April 2, 2015, a primary document as defined in the Board's Rules for the Recordation of Documents.

The name and address of the party to the enclosed document are:

Lender/Assignee: Wells Fargo Equipment Finance, Inc.  
Investors Building, Suite 700  
733 Marquette Avenue  
Minneapolis, Minnesota 55402

[Lessor/Assignor: Titan Leasing, Inc.  
1 East Merchants Drive  
Oswego, Illinois 60453]

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

1 EMD SW 1200 locomotive: TANX 1211

Section Chief  
April 2, 2015  
Page 2

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

Memorandum of Security Agreement and Assignment of Rents and Lessor's Interest in Lease for Security Purposes.

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

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

Very truly yours,

A handwritten signature in blue ink, appearing to read 'E. Luria', with a stylized flourish at the end.

Edward M. Luria

EML/sem  
Enclosures

**MEMORANDUM OF SECURITY AGREEMENT AND ASSIGNMENT OF RENTS AND  
LESSOR'S INTEREST IN LEASE FOR SECURITY PURPOSES**

This MEMORANDUM OF SECURITY AGREEMENT AND ASSIGNMENT OF RENTS AND LESSOR'S INTEREST IN LEASE FOR SECURITY PURPOSES ("Memorandum") is made and entered into as of October 9, 2008, by and between Titan Leasing, Inc. ("Lessor/Assignor") and Wells Fargo Equipment Finance, Inc. ("Lender/Assignee") (collectively "Parties").

WHEREAS, Lessor/Assignor previously entered into a Security Agreement ("Security Agreement") dated as of October 9, 2008 relating to loans made by Lender/Assignee to Lessor/Assignor to finance leases identified in assignments delivered to Lender/Assignee at the time of such loan and covering the equipment itself and lease rentals related to the equipment, a copy of which is attached hereto as Exhibit A.

WHEREAS, the Lessor/Assignor, by a Notice of Assignment of Rents and Lessor's Interests in Leases dated effective as of November 26, 2008 agreed to pledge to Lender/Assignee, inter alia, an interest in the equipment and rents related to 1 EMD SW 1200 locomotive TANX 1211 (a copy of which is attached hereto as Exhibit B) and covered by the Locomotive Lease Agreement made and entered into as of April 7, 2008 by Lessor/Assignor and Gerdau AmeriSteel US Inc., as lessee (a copy of which is attached hereto as Exhibit C).

WHEREAS, in connection with the Security Agreement and the execution by Lessor/Assignor of the related loan agreement, the proper officer of Lessor/Assignor has executed the attached Certificate as to Officers and Directors, Directors Resolutions and Miscellaneous Matters, a copy of which is attached hereto as Exhibit D).

NOW, THEREFORE:

Lessor/Assignor having defaulted on the underlying loan and refusing to cooperate with Lender/Assignee, Lender/Assignee files this Memorandum with the Surface Transportation Board in order to provide notice of its assigned interests and security interests in Locomotive TANX 1211 and in Lessor/Assignor's interests in the leases and rents related to that locomotive.

IN WITNESS WHEREOF, the Lender/Assignee hereto has caused this Memorandum to be duly executed as of the date and year first above written.

*[Signature Pages to Follow]*

LENDER/ASSIGNEE: WELLS FARGO EQUIPMENT FINANCE, INC.

By: 

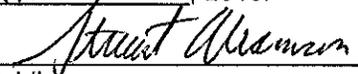
Name: Henry C. Magel Jr.

Title: Assistant Vice President

STATE OF NEW YORK )  
COUNTY OF NEW YORK ) ss:

Before me, a Notary Public, in and for said county and state, personally appeared HENRY MAGEL, the ASSISTANT VICE PRESIDENT of WELLS FARGO EQUIPMENT FINANCE, INC. a MINNESOTA corporation, who acknowledged that he/she being thereunto duly authorized, did sign the foregoing instrument in behalf of said corporation and by authority of its Board of Directors on behalf of the corporation and that the same is the free act and deed of said officer and of said corporation.

In Testimony Whereof, I have hereunto set my hand and official seal at NEW YORK, NY this 2<sup>ND</sup> day of APRIL, 2015.

  
Notary Public  
My Commission Expires: FEB 21, 2016

STEWART ABRAMSON  
Notary Public, State of New York  
No. 02AB5039736  
Qualified In Rockland County  
Commission Expires Feb. 21, 2016

**SECURITY AGREEMENT**  
**(Relating to Loans on the Security of Present and Future Leases and Equipment)**

This Agreement dated as of October 9, 2008 by and between Titan Leasing, Inc. ("Lessor") and Wells Fargo Equipment Finance, Inc. ("Lender").

**1. Definitions.** As used herein:

"*Assignment*" means a writing signed by Lessor in a form satisfactory to Lender pursuant to which the Lease or Leases referred to therein together with any and all Lease Collateral therefor are assigned to Lender as security subject to this Agreement, and the Equipment covered by such Lease or Leases is likewise made subject to this Agreement.

"*Collateral*" means all property in which a security interest is granted hereunder.

"*Equipment*" means the personal property leased under a Lease, together with all accessories, attachments, parts and repairs now or hereafter incorporated in or affixed to or used in connection with any such Equipment, and includes equipment substituted for the original Equipment leased under a Lease and equipment that may be added to a Lease.

"*Event of Default*" is defined in paragraph 7.

"*Lease*" means any lease of which Lessor is the lessor (or an assignee of the lessor) and which is identified in an Assignment.

"*Lease Collateral*" means each and every guaranty, security interest, mortgage, or other security securing the payment and performance of the Lessee's obligations under a Lease, excluding, however, Lessee security deposits in Lessor's possession.

"*Lease Documents*" means with respect to a Lease the written documents evidencing the Lessor's agreement with the Lessee constituting such Lease furnished to Lender at the time such Lease is assigned to Lender hereunder.

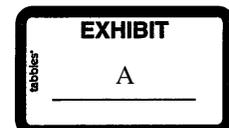
"*Lessee*" means the lessee or lessees of a Lease.

"*Loan*" means a loan made by Lender to Lessor to finance a Lease or Leases identified in an Assignment delivered to Lender at the time of such Loan.

"*Rent*" means with respect to each Lease all moneys due or to become due under such Lease other than income tax indemnity thereunder.

**2. Security Interest; Release Provisions.** As security for the payment of each Loan, Lessor hereby grants to Lender a security interest in (a) the particular Lease financed by such Loan and identified in an Assignment given by Lessor at or about the time of such Loan and all of Lessor's rights under such Lease, including the right to receive Rent and the right to exercise the Lessor's rights and remedies upon a default thereunder, but excluding Lessor's right to receive income tax indemnity payments thereunder, and excluding Lessor's right to Lessee security deposits in Lessor's possession, (b) all Equipment subject to such Lease, (c) all Lease Collateral for such Lease, (d) all warranty and other rights Lessor may have with respect to such Lease and the related Equipment against the manufacturers of such Equipment and against the sellers and assignors from whom Lessor may have acquired such Lease and such Equipment, and (e) proceeds of any and all of the foregoing.

Lender understands and agrees that as provided above its security interest in each particular Lease and in the related Equipment and Lease Collateral secures only the Loan made to finance such



Lease and not any other Loan. Similarly, as provided in paragraph 7, an Event of Default with respect to one Loan is not in and of itself an Event of Default with respect to any other Loan.

Lender agrees to release its security interest in each Lease and the related Equipment and Lease Collateral upon payment of the related Loan in full in accordance with its terms or upon its prepayment in full as permitted or required by this Agreement.

**3. Representations and Covenants of Lessor.** Lessor represents, warrants and covenants that:

(a) **Authorization.** The execution, delivery, and performance of this Agreement and of each of the Leases has been duly authorized by all necessary action on the part of the Lessor and will not violate any provision of the Lessor's Articles of Incorporation or By-Laws or any agreement or instrument to which it is a party or by which it is bound.

(b) **Office Location.** Lessor's chief executive office as of the date of this Agreement is located at the address shown below Lessor's signature to this Agreement. Lessor will not change the location of its chief executive office without first giving Lender at least 10 days prior written notice of the new location.

(c) **Clear Title.** Lessor is the 100% owner of each Lease and has no participants or co-owners therein. Lessor has good and marketable title to Leases free and clear of all security interests, liens, and other encumbrances and rights, and either Lessor has good and marketable title to the Equipment free and clear of all security interests, liens, and other encumbrances and rights (other than those of the Lessees) or, with respect to any Lease that is deemed an installment sale or loan, Lessor has a perfected first security interest in the Equipment covered by such Lease securing the Lessee's obligations under such Lease.

(d) **No Sales or Liens.** Lessor will not sell, transfer, lease, grant a security interest in, discount, or encumber any Lease or any item of Equipment, except for sales of Equipment pursuant to contractual obligations to do so contained in the Lease Documents.

(e) **Leases Enforceable.** The signature by or on behalf of the Lessee of each Lease is the genuine signature of the person whose signature it purports to be; if the Lessee is a corporation or partnership, the execution, delivery, and performance by the Lessee of the related Lease has been duly authorized by all necessary corporate or partnership action, as the case may be; and each Lease is legally valid and enforceable against the Lessee.

(f) **Aspects of Leases.** The amount of each installment of basic rent (exclusive of sales and use taxes) remaining to be paid under each Lease as of a particular date, the number of installments of such amount remaining to be paid as of such date, and the scheduled frequency of rental payments (monthly, quarterly, etc.) is as set forth in the related Assignment. There is no servicing fee or other amount that any third party may offset against payment of such rental payments to Lessor or Lender. Each Lease is noncancellable by the Lessee thereunder during its scheduled term except as provided in the Lease Documents. There are no options to purchase or other agreements whereby the Lessee of any Lease or any other party has the right to acquire the related Equipment at the end of or during the Lease term other than as provided in the Lease Documents. The rental payment under each Lease constitutes only basic rent for use of the related Equipment and contains no element for sales or use taxes, maintenance, licensing fee, or any other matter that is payable to the Lessor or any third party except as separately disclosed in the Lease Documents by dollar amount.

(g) **Documentation Complete.** The entire agreement between the Lessor and the Lessee with respect to each Lease is embodied solely in the related Lease Documents.

(h) **No Lease Default.** As of the date a Lease is assigned to Lender hereunder, (1) no payment due under the Lease was more than 10 days past due, (2) no nonpayment default was in existence thereunder, and (3) Lessor has no knowledge that the Lessee is asserting or has any basis to

assert any defense, setoff, or counterclaim to its obligations under the Lease. Lessor has not granted any extensions or waivers under any Lease during the period since such Lease began.

(i) Compliance with Laws. As of the date any Lease is assigned hereunder, that Lease complies with all applicable usury laws, retail installment sales acts, truth-in-lending and truth-in-leasing laws and regulations, and all other applicable laws and regulations.

(j) No Change to Leases. Lessor will not modify, amend, waive Lessee's performance under, anticipate the Rent under, declare a default under, or release or accept the surrender of, any Lease or any Lease Collateral. Lessor will not terminate or permit the prepayment of any Lease unless pursuant to a contractual obligation to do so contained in the Lease Documents, or upon written agreement with Lender.

(k) Duties; Records. Lessor shall perform all of its duties and obligations under the Leases, and keep accurate books, records and accounts with respect to the Leases.

(l) Original Lease. Lessor will deliver to Lender the original of any Lease or Leases that Lender may from time to time request, and will not execute any copies of any Lease other than a copy for delivery to the Lessee named in such Lease. In case of a master lease, the original of a Lease shall mean the original of the equipment schedule involved plus a certified copy of the related master lease agreement. With respect to Leases left in the possession of Lessor, Lessor will deliver to Lender upon request proof satisfactory to Lender of the existence of any such Lease or Leases and will permit Lender to stamp any such Lease or Leases with a legend reflecting Lender's security interest therein.

(m) Equipment Delivery. As of the date a Lease is assigned to Lender hereunder, the related Equipment has been delivered and accepted by the Lessee and the Lessee has acknowledged receipt and acceptance of such Equipment. Upon request by Lender, Lessor will cause such Equipment to be stamped or otherwise labeled reflecting that Lessor is the owner of such Equipment.

(n) Lessee Consent. No consent of any Lessee is required for Lessor to grant a security interest in the related Lease and Equipment to Lender hereunder, or, if required, it has been obtained.

(o) Taxes. Lessor will pay, or use its best efforts to cause Lessee to pay, all personal property, sales, use, and other taxes levied or assessed against the Equipment and in connection with each Lease prior to the date on which penalties attach thereto.

(p) Casualty Insurance. Lessor will procure and maintain, or use its best efforts to cause to be procured and maintained by Lessee, insurance issued by responsible insurance companies insuring the Equipment against damage and loss by theft, fire, collision (in the case of motor vehicles), and such other risks as are usually carried by owners of similar properties or as may be requested by Lender, in such amounts and payable in such manner as Lender shall request (including naming Lender as a loss payee) and will furnish evidence of such insurance to Lender upon request.

(q) Motor Vehicles. Each item of Equipment constituting a motor vehicle shall be registered, and a certificate of title issued therefor showing Lessor as owner or secured party, under the laws of each state requiring such registration and the issuance of such a certificate at the time the Lease covering such Equipment is assigned to the Lender.

(r) No Removal. Lessor will not permit any Lessee to remove any nonmotor vehicle Equipment from the location of such Equipment specified in the related Lease, except for temporary periods not exceeding 30 days and as specified in the Lease, without prior notice to Lender of the new location or locations. Lessor will not change the state of registration of Equipment constituting a motor vehicle without prior notice to Lender of the new state.

(s) Inspection Rights. Lessor will permit Lender to examine Lessor's books and records with respect to the Collateral and make extracts therefrom and copies thereof at any time and from time to time, and Lessor will furnish such information and reports to Lender regarding the Collateral as Lender

may from time to time request. Lessor will also permit Lender to inspect the Equipment at any time and from time to time as Lender may reasonably request subject to the terms of the Lease.

(t) Protective Filings. Upon request by Lender, Lessor will file a financing statement or statements naming as debtor such Lessee or Lessees as may be designated by Lender, and will assign Lessor's rights under any such financing statement to Lender.

(u) Assurances. Lessor will execute, from time to time, such financing statements, assignments, and other documents and arrange for notations on motor vehicle certificates of title, as Lender may reasonably deem appropriate in order to perfect its security interest in the Collateral (including Lease Collateral acquired by Lessee after the related Lease has been assigned to Lender hereunder); will disclose upon request by Lender the name of the record owner and the legal description of any real property to which any Equipment may be deemed fixtures; and will notify Lender promptly upon acquiring any Lease Collateral for a Lease previously assigned to Lender hereunder.

#### 4. Collection and Application of Rent and Sale Proceeds.

(a) Lessor will invoice each Lessee for all amounts due under each Lease in a careful and workmanlike manner and in accordance with good industry practices and its standard practices, and Lessor agrees to follow such directions as Lender may give Lessor regarding such invoicing. Lessor will not be entitled to any fee or other compensation for its servicing of Leases hereunder. Lessor shall forward to Lender a report containing such information as to each such invoice as will enable Lender to apply the cash to the correct Loan. Lessor agrees to follow any reasonable directions Lender may give Lessor regarding invoicing. Each invoice (i) will direct the Lessee to pay the invoice amount to Lender to a lockbox specified by Lender and (ii) will contain a remittance portion which identifies Lender's account number and the amount of sales/use tax due on the Rent. All Rent and all other proceeds from the Equipment or other Collateral received by Lessor from Lessees shall be received and held by Lessor in trust for Lender and shall be delivered to Lender immediately upon receipt thereof by Lessor in the same form as received except for Lessor's endorsement when necessary. No such payment of Rent or other amounts shall constitute payment under the related Loan until Lender receives good funds therefor. Lender is hereby irrevocably authorized to endorse any instrument given in payment of Rent on Lessor's behalf. Notwithstanding the foregoing, Lender may at any time during the continuance of any Event of Default in its sole discretion upon notice to Lessor commence invoicing the Lessees for amounts payable under the Leases.

(b) As a condition to each Loan, Lessor shall, on or about the time each Lease is assigned to Lender, notify the Lessee that its Lease has been assigned to Lender for security and that all Rent payable thereunder shall be paid directly to Lender.

(c) As an accommodation to Lessor, Lender agrees to remit to Lessor the sales/use tax and personal property tax received from each Lessee. Such remittance shall be made by Lender by an ACH Electronic Transfer. Lessor agrees to execute such forms as Lender may request in connection therewith.

(d) Rent paid under a Lease, proceeds from the sale of related Equipment and Lease Collateral, and insurance proceeds and amounts paid by the Lessee on account of a casualty to such Equipment, shall be paid to Lender for application to the Loan made to finance such Lease and the balance, if any, shall be paid to Lessor.

(e) Commencing upon (i) the occurrence of an event of default under the Lease (ii) 120 days prior to the expiration of the term of the Lease or (iii) repossession of any equipment or other Collateral from the Lessee, whichever is first to occur, Borrower shall use its best efforts to remarket the Equipment and other Collateral, if any, by sale and/or lease with the objective being to maximize the net proceeds of the sale or lease of the Equipment and other Collateral. Borrower's remarketing efforts shall be comprised of advertising, development of a marketing plan, and soliciting prospective lessees and purchasers for the disposition of the Equipment and Collateral, including by means of re-lease or sale (whether to the Lessee or to another third party or parties) (a "Disposition"). Borrower shall exert such efforts (and may

act through its employees, agents and contractors) to no less an extent than Borrower does for any equipment held by Borrower for disposition for its own benefit or for the benefit of other remarketing clients; provided, however, that if Borrower then holds for disposition other locomotives similar to the Equipment, Borrower shall exert such efforts first with respect to the disposition of the Equipment. All costs and expenses incurred in connection with remarketing activities shall be borne by Borrower. Lender may in its sole discretion retain such other parties to repossess and remarket the Equipment and other Collateral without releasing Borrower from its obligations to do so. Borrower shall keep Lender informed as to the progress of remarketing activities and prospects of remarketing (monthly commencing with the date (if any) Borrower is required to begin remarketing activities pursuant to the preceding paragraph of this Agreement), and shall in any event notify Lender by telephone as soon as reasonably practicable of the receipt of any offer for the Disposition of any one or more items of equipment or other Collateral (an "Offer"). No Offer shall be accepted without the prior written consent of Lender; which shall not be unreasonably withheld, provided, however, that Lender must consent to any cash Offer for the sale of Equipment if the net proceeds would repay the Loan in full. Until the Loan has been paid in full, Borrower shall cause the proceeds of any Disposition to be paid directly by the purchaser or lessee to Lender for application on account of the Loan.

**5. Assignment of Insurance.** Lessor hereby assigns to the Lender, as additional security for payment of each particular Loan, any and all moneys due or to become due under, and all other rights of Lessor with respect to, any and all policies of insurance covering the related Collateral for such Loan, and Lessor hereby directs the issuer of any such policy to pay any such moneys directly to Lender. Both before and after an Event of Default, Lender may (but need not) in its own name or in Lessor's name execute and deliver proofs of claim, receive such moneys, endorse checks and other instruments representing such moneys, and settle or litigate any claim against the issuer of any such policy.

**6. Recourse for Breach of Warranty.** In the event of the breach of any one or more of the representations and warranties of Lessor hereunder in any respect in connection with any Lease, or in the event Lessor fails to observe or perform any one or more of the covenants and agreements to be observed and performed by Lessor hereunder in connection with any Lease, and in each case the continuance thereof for 15 calendar days following written notice thereof from Lender to Lessor, the Lender may demand that Lessor prepay the Loan made to finance such Lease, and Lessor agrees to make such prepayment upon such demand and that Lessor will be personally liable for such payment upon such demand notwithstanding that such Loan may otherwise be nonrecourse. Lender agrees to reassign such Lease to Lessor without recourse and release its security interest in the related Equipment upon such payment by Lessor.

**7. Events of Default.** The occurrence of any of the following events shall constitute an "Event of Default" hereunder with respect to a particular Loan: (a) default in the payment, when due, of any payment of principal or interest on such Loan (whether recourse or nonrecourse); (b) an event of default as defined in the Lease or breach of the Lessee's obligations has occurred and is continuing under the related Lease (whether the Loan to finance that Lease is recourse or nonrecourse); (c) Lessor's failure to prepay such Loan as required by paragraph 6; (d) the filing of a petition by or against Lessor or any guarantor of such Loan under the federal Bankruptcy Code naming Lessor or such guarantor as debtor; (e) appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any state bankruptcy or insolvency law by or against, Lessor or any guarantor of such Loan.

**8. Rights and Remedies on Default.** Upon the occurrence of an Event of Default with respect to a particular Loan, and at any time thereafter until such default is cured or waived to the written satisfaction of Lender, Lender upon written notice to Lessor may exercise any one or more of the following rights and remedies with respect to the Loan in question:

(a) Lender may declare such Loan to be immediately due and payable, and the same shall thereupon become immediately due and payable without presentment, notice of dishonor, or protest, all of which Lessor hereby waives; *subject to the provisions contained in the last paragraph of the non-recourse note and paragraph 6 hereof. EB 10/24/02*

(b) Lender may exercise any and all other rights and remedies available to it by law or agreement with respect to such Loan, including rights and remedies under the Uniform Commercial Code, or any other applicable law, or under the related Lease or Lease Collateral, and in connection therewith, Lender may require Lessor to assemble the related Equipment (subject to the rights, if any, of the Lessee) and at Lessee's expense and make it available to Lender at a place to be designated by Lender which is reasonably convenient to both parties, and any notice of intended disposition of any of the Collateral for such Loan required by law shall be deemed reasonable if such notice is mailed or delivered to Lessor at its address as shown on Lender's records via fax or overnight mail at least 10 days before the date of such disposition.

**9. No Cure Right.** (a) Lessor has no right to cure any payment or other default under a Lease except to the extent necessary to comply with subparagraphs (o) and (p) of paragraph 3 or as set forth in the following paragraph (b).

(b) In the event that a scheduled payment is not made when due under the Loan, Lessor may, within ten days of the date such payment was due cure such default by making payment of the full amount past due together with any late charge and interest thereon. Lessor may not make more than two such cure payments without the prior written consent of Lender. Any such cure payments shall be non-refundable.

**10. Quiet Enjoyment.** So long as the Lessee of a Lease is in compliance with such Lease and there is no event of default in existence under such Lease, such Lessee shall be entitled to the possession and use of the related Equipment subject to the terms of such Lease notwithstanding that an Event of Default hereunder may have occurred and be continuing.

**11. Lender Dealing With Lessee.** After an Event of Default hereunder with respect to a particular Loan, Lender may, with notice to Lessor, grant waivers of the Lessee's performance under the related Lease, agree to any extension, renewal, or amendment of the related Lease, and make any settlement with the Lessee or the owner of any related Lease Collateral. Before an Event of Default hereunder with respect to a particular Loan, Lender may not take any of the foregoing actions without the prior written consent of Lessor. Likewise, Lessor understands that its freedom to deal with any Lessee, Lease, Equipment and Lease Collateral is limited by paragraph 3.

**12. Late Charges.** Lender shall be entitled to all late charges and interest on past due amounts collected from the Lessee under each Lease. Lender shall first apply such late charges and interest to accrued but unpaid interest at the time of application on the Loan made to finance such Lease, and Lender shall be entitled to any excess as compensation earned by Lender.

**13. Miscellaneous.**

(a) Lender does not in any way assume any of Lessor's obligations under any of the Leases.

(b) If Lessor fails to observe or perform any covenant or agreement contained in this Agreement and such failure is not remedied by Lessor within 15 days after written notice thereof, Lender may, in addition to any other remedy, take whatever action may be necessary to remedy such failure and should any such action require the expenditure of money to protect and preserve Lender's security interest in the Collateral (including payment of insurance premiums and taxes and removal of liens), the amount of such expenditure shall become forthwith due and payable by Lessor with interest at the highest rate of interest then being paid on the Loans or allowed by law (whichever is less) and shall be secured by the security interest granted hereunder.

(c) Lender shall not be deemed to have waived any of its rights hereunder or any other agreement, instrument or document signed by Lessor unless such waiver be in writing and signed by

Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion.

(d) All rights and remedies of Lender shall be cumulative and may be exercised singularly or concurrently, at Lender's option, and the exercise or enforcement of any one such right or remedy shall not bar or be a condition to the exercise or enforcement of any other.

(e) This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the substantive laws of the State of Minnesota without regard to conflicts of law rules.

(f) Lender may sign this Agreement if it chooses (for the purpose of filing or otherwise), but this Agreement shall be valid and effective and enforceable against Lessor if signed by Lessor even though not signed by Lender.

(g) Lessor agrees to pay the legal fees and expenses incurred by Lender in the exercise of any right or remedy available to it under this Agreement; provided, however, that Lessor shall have no personal liability to pay such fees and expenses with respect to any Loan that is nonrecourse to Lessor except to the extent incurred pursuant to the exercise of Lender's rights under paragraph 6 hereof.

(h) This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Lessor and Lender.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

Wells Fargo Equipment Finance, Inc.

By [Signature]  
Its [Signature]

Chief Executive Office of Lender:

Investors Building, Suite 700  
733 Marquette Avenue  
Minneapolis, MN 55479-2048

Titan Leasing, Inc.

Lessor

By [Signature]  
Its President

Chief Executive Office of Lessor:

One East Merchants Drive, Suite 304  
Oswego, IL 60543

**NOTICE OF ASSIGNMENT OF RENTS AND  
LESSOR'S INTERESTS IN LEASES**

This ASSIGNMENT OF RENTS AND LESSOR'S INTEREST, RIGHTS AND IN LEASES (this "Assignment") is dated and effective as of **November 26, 2008** by TITAN Leasing, Inc. an Illinois corporation, having its principal offices at One East Merchants Drive, Suite 304, Oswego, Illinois 60543-9998 ("Assignor") and Wells Fargo Equipment Finance, Inc., a Minnesota Corporation ("Assignee").

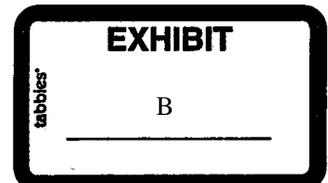
**WITNESSETH:**

Assignor is the owner of the railroad locomotives listed in Exhibit A ("Locomotives") attached hereto and made a part hereof.

NOW, THEREFORE, as per its rights under the Lease Agreement, Assignor does hereby sell, assign, transfer, convey, set over and grant unto Assignee all of Assignor's Rents due under the Initial Term of Locomotive Lease Agreement, including all of Assignor's right, title and interest in any Lease during that Initial Term thereof it being the intention hereby to establish an absolute transfer and assignment of all the said Locomotives Leases and all the avails thereof during the Initial Term to Assignee. Notwithstanding the foregoing, if Assignor does not fulfill its obligations to Assignee such Assignment shall continue beyond the Initial Term and until such obligation are met in full. All on the following terms and conditions:

- Assignor represents and warrants that Assignor is the sole owner of the entire interest in the Leases.
- This Agreement supersedes any and all other prior or contemporaneous agreements.
- There are 60 months Lease Payments remaining due under the Initial Lease Term at \$142.40 p/day.
- Lessee is aware that, under the terms of the Lease, there can be no set-offs, counterclaims or deductions to the Lease Payment due Assignee.
- TITAN Rail, Inc. shall remain responsible for all of its obligations under the Locomotive Maintenance Agreement.
- TITAN Leasing, Inc. will still service the account and payments shall be made payable to TITAN Leasing, Inc. and directed to the account to be indicated.
- This Assignment is of financial purposes only and will not affect the day-to-day relationship and account servicing between TITAN Leasing, Inc. and Gerdau Ameristeel US, Inc.

[SIGNATURE PAGE FOLLOWS]

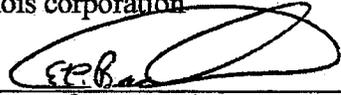


IN WITNESS WHEREOF, Assignor has caused this Assignment to be executed under seal as of the date first written above.

**TITAN LEASING, INC.**

An Illinois corporation

By:



Its:

President

**EXHIBIT A**

**EQUIPMENT**

<b>Mark</b>	<b>Type</b>	<b>Leased</b>	<b>Location</b>	<b>Condition</b>	<b>Warranty Term</b>	<b>Warranty Type</b>	<b>Price</b>
TANX 1211	EMD SW 1200	Y	Gerdau Ameristeel: Jacksonville, FL	N/A	N/A	N/A	N/A

**TITAN Rail, Inc.**  
**LOCOMOTIVE LEASE AGREEMENT**

THIS LEASE AGREEMENT ("Lease") is made and entered into as of April 7, 2008 by and between TITAN Rail, Inc., a Corporation organized under the laws of the State of Delaware ("Lessor") and Gerdau Ameristeel US Inc., a Corporation organized under the laws of the State of Florida ("Lessee").

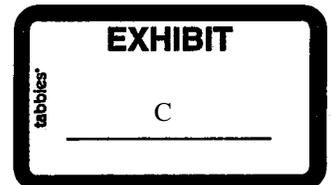
**RECITALS**

WHEREAS, Lessee desires to lease from Lessor, for use in its business operations, the Locomotive hereinafter described upon the terms and conditions herein set forth; and

WHEREAS, Lessor agrees to furnish the Locomotive hereinafter described and is willing to lease the same to Lessee upon the terms and conditions herein set forth.

NOW THEREFORE, the parties hereto, for and in consideration of the mutual covenants and promises herein set forth and other good and valuable consideration, receipt and sufficiency of which is acknowledged, agree as follows:

- 1) **DESCRIPTION OF LOCOMOTIVE.** Lessor leases and lets unto Lessee and Lessee accepts and takes from Lessor the locomotive, accessories, attachments, devices, and other such included equipment, if any, now or hereafter affixed thereto (collectively, the "Locomotive"), as indicated on the "Locomotive Lease Terms" (attached hereto as "Exhibit A").
- 2) **LOCATION OF LOCOMOTIVE.** The Locomotive shall be located and remain in operation only at the location(s) ("Location") as indicated on the "Locomotive Lease Terms" (attached hereto as "Exhibit A"). Upon Lessor's written request, Lessee shall furnish Lessor with an accurate statement showing the then-current location of each Locomotive.
- 3) **LEASE RATE**
  - a) During the Lease Term (defined hereafter) hereof and until Possession (defined hereafter) of the Locomotive is surrendered to Lessor, Lessee shall pay to Lessor the amount as indicated on the "Locomotive Lease Terms" (attached hereto as "Exhibit A") ("Lease Rate"), for the lease of said Locomotive on or before the first day of each month.
  - b) The first payment of the Lease Rate, prorated for the number of days remaining in the month from the date Lessee takes Possession of the Locomotive, is due on such date of Possession.
  - c) All subsequent payments of the Lease Rate shall be due, in advance, on the first day of each subsequent month.
  - d) In the event any Lease Rate or any other lease charges hereunder (collectively, the "Lease Charges") are not paid, in full, promptly when due or within ten (10) calendar days of said due date, Lessee shall pay to Lessor, as an additional Lease Charge, interest on such overdue payment from the due date of such payment at a rate equal to the lesser of (i) 12% per annum or (ii) the maximum rate permitted by applicable law.
  - e) Lessee's obligation to pay Lease Charges is absolute and unconditional and Lessee shall pay promptly to Lessor or its assignee as directed by Lessor all Lease Charges payable by it under this Lease, including without limitation, the Lease Rate, without notice or demand and Lessee shall not be entitled to assert any setoff, counterclaim, deduction, recoupment or other defense for any reason.
- 4) **RUSH DELIVERY CHARGE.** A non-refundable charge for the Locomotive for that amount as indicated on the "Locomotive Lease Terms" (attached hereto as "Exhibit A") shall be due upon execution of this Agreement.
- 5) **LEASE TERM.** This Lease shall be for an initial term of that period of time as indicated on the "Locomotive Lease Terms" (attached hereto as "Exhibit A"), commencing upon the date or event as indicated on the "Locomotive Lease Terms" (attached hereto as "Exhibit A") ("Initial Term"), and shall be deemed to renew automatically for successive periods of one (1) year (each renewal period referred to herein as a "Renewal Term") after the conclusion of such Initial Term or then-Renewal Term, as the case may be, unless either party gives the other party written notice, not later than ninety (90) days prior to the expiration of the Initial Term or the then-Renewal Term, that such party giving notice does not intend to extend the Lease beyond the existing Term. The term "Term" as used herein shall be deemed to include the Initial Term and any Renewal Terms. Notwithstanding the foregoing, the Term of this Lease shall continue and all of the obligations of Lessee under this Lease shall remain in full force and effect until Possession (defined hereafter) of the Locomotive is surrendered to Lessor.



- 6) **POSSESSION.** Possession of the Locomotive shall pass to Lessee the earlier of the moment the Locomotive departs its originating location bound for Lessee's location or as otherwise indicated by "Commencement Date/Event" on the "Locomotive Lease Terms" (attached hereto as "Exhibit A"). Possession of the Locomotive shall be reacquired by Lessor when Lessor has received the Locomotive at its designated Return Location and the Locomotive is accepted by Lessor as having met the Return Conditions (defined hereafter).
- 7) **DELIVERY AND ACCEPTANCE OF LOCOMOTIVE.**
- a) Acceptance of this Lease Agreement shall constitute Lessee's acknowledgement that the specified Locomotive, as indicated on Exhibit A, Paragraph (c)(i) hereof and Exhibit B (if any), (collectively "Delivery Specifications") **will be** of the manufacture, design and utility, quality, condition, and capacity required by Lessee, that Lessee will be satisfied with the same, and that the Locomotive will be suitable for Lessee's purpose ("Initial Acceptance").
  - b) Shipment of Locomotive to Lessee shall constitute Lessee's formal acceptance of the Locomotive and Lessee's acknowledgement that the Locomotive meets the Delivery Specifications and **is of** the manufacture, design and utility, quality, condition, and capacity required by Lessee, that Lessee is satisfied with the same, and that the Locomotive is suitable for Lessee's purpose ("Final Acceptance").
  - c) Lessor shall perform a final inspection of the Locomotive prior to shipment.
    - i) Prior to shipment, Lessee shall inspect the Locomotive to confirm it meets the Delivery Specifications and (i) is in good and serviceable condition (ii) is clean and free of broken, damaged or missing parts, (iii) is capable of making rated horsepower (+/- 10%), (iv) has all systems operating as designed, and (v) meets all applicable rules, regulations and safety standards prescribed by the FRA in effect at such time.
    - ii) If, during such inspection, Lessee reasonably determines that the Locomotive does not meet the Delivery Specifications, Lessee may reject the Locomotive by providing, in writing, notice of such rejection and the reasons thereof. Upon such rejection, Lessor may, in its sole discretion, elect to (i) repair or restore the Locomotive to a condition that satisfies the Delivery Specifications, (ii) replace the Locomotive with a substantially similar locomotive reasonably satisfactory to Lessee that satisfies the Delivery Specifications, or (iii) cancel this Lease without any penalty accruing to Lessor. Failure of Lessee to expressly reject such locomotive within one (1) day of Lessee's inspection shall constitute Lessee's formal acceptance of the Locomotive and Lessee's acknowledgement that the Locomotive meets the Delivery Specifications and **is of** the manufacture, design and utility, quality, condition, and capacity required by Lessee, that Lessee is satisfied with the same, and that the Locomotive is suitable for Lessee's purpose ("Final Acceptance").
  - d) Failure of Lessee to perform a final inspection of the Locomotive prior to shipment shall not invalidate the stipulations set forth in this section and shipment of Locomotive still shall constitute Lessee's formal acceptance of the Locomotive and Lessee's acknowledgement that the Locomotive meets the Delivery Specifications and **is of** the manufacture, design and utility, quality, condition, and capacity required by Lessee, that Lessee is satisfied with the same, and that the Locomotive is suitable for Lessee's purpose ("Final Acceptance").
  - e) Lessor shall not be liable to Lessee for any failure or delay in the delivery of the Locomotive.
  - f) Lessee shall pay all transportation charges incurred in delivery of the Locomotive from its current location to any repair facility and/or to Lessee's location. If required by any involved common carrier, Lessee shall also pay for any charges incurred for the rental, application and removal of alignment control couplers.
  - g) Lessee shall perform all required tasks, checks, and preparations to safely and properly place Locomotive into service upon delivery. At the option of the Lessee, Lessor or its agents shall perform required tasks, checks and preparations to place the Locomotive into service and invoice Lessee at its standard rates.
- 8) **MAINTENANCE BY LESSEE.**
- a) Lessee, at its sole cost and expense, shall be wholly responsible for providing all maintenance, repairs, overhauls, inspections, parts, components and labor for the Locomotive during the Term of this Lease. Lessee shall at all times keep and maintain the Locomotive:
    - i) complete, clean and free of cracked, broken, damaged, non-functional equipment or missing parts;
    - ii) in good, efficient, and safe working order, condition and repair in accordance to Lessor's or OEM's specifications or documentation with all systems operating as designed;
    - iii) capable of making rated horsepower (+/- 10%);
    - iv) in the same good and serviceable condition as when received by Lessee, other than wear and tear that is normal and customary among all types of operations;
    - v) free of any dented, scratched or deformed metal from a collision or accident;
    - vi) free of any rust or removed paint;
    - vii) in compliance with any rules, regulations and standards now or hereafter promulgated by applicable governmental authorities;
    - viii) in good maintenance with scheduled maintenance performed at least every 92 days as per OEM guidelines; and
    - ix) blue carded and inspected at least daily, and every 92, 365, and 1095 days as per FRA guidelines.

- b) The Locomotive maintenance program and the maintenance service provider selected by Lessee shall each be subject to the approval of Lessor, in Lessor's sole discretion. In the event Lessor disapproves either of the same, Lessor shall be entitled to either (i) terminate this Lease, or (ii) designate a maintenance program or maintenance service provider, or both, which service provider may include, without limitation, Lessor or its affiliates at Lessee's cost. Notwithstanding the foregoing, Lessor's lack of disapproval, approval or designation of a maintenance program or service provider shall not be deemed to be a representation or warranty as to the sufficiency or adequacy of the same. Upon Lessor's written request, Lessee shall furnish Lessor with all maintenance and other records relating to the Locomotive. Notwithstanding the foregoing, in the absence of substantial changes from present, Lessor hereby approves of the maintenance program of Lessee.
  - c) Lessee, at its own expense, will enter into a spectrographic lubricating oil analysis program. Samples of diesel engine crankcase oil, head end power gear box oil (if present) and air compressor oil from the Locomotive will be submitted to CTC Analytical Services, 186 International Blvd., Glendale Heights, IL 60139 (or another such similar provider) not less than every thirty-five (35) days beginning thirty-five (35) days after the Locomotive has been placed in service by Lessee. Lessee shall furnish, or have furnished, such analysis reports to Lessor in a timely fashion. Lessee shall promptly take all action recommended by the laboratory, OEM recommendations, and/or Lessor based on the results of such analysis reports. Lessee shall maintain written records of such actions copies to Lessor upon request.
  - d) Lessee shall only use qualified maintenance personnel, proper maintenance procedures as per OEM guidelines and good quality parts and components in the maintenance of Locomotive. Only qualified (verified as meeting OEM design tolerances) or better parts and components may be used and such parts or components must be like-in-kind and of the same or better quality. Notwithstanding the foregoing, any main engine repairs that require replacement components must be made with rebuilt or better components.
  - e) In order to comply with EPA policies and for Lessor's recordkeeping requirements, if Lessee performs, or has performed, whether or not such work is warranted by Lessor, any component replacement during the term of this Lease, Lessee shall promptly report to Lessor the component information including vendor, performer, specification (new, rebuilt, RTO), warranty information, location (i.e. cylinder number), component serial number and the date of the replacement.
- 9) MODIFICATION/WORK PERFORMED ON LOCOMOTIVE. Lessee shall not make or have made any operational, structural, functional, or mechanical modifications to Locomotive except installation of Head of Train devices, any communications, train control telemetry, recording and other specialized equipment (collectively, "Specialized Equipment"), which Lessee shall pay for and install, without the prior consent of Lessor, and if any are made, they immediately shall become part of the Locomotive and shall become Lessor's property; provided, however, that Lessee may remove from the Locomotive any Specialized Equipment that Lessee paid for and installed, but only if Lessee fully repairs any damage to the Locomotive resulting from such removal or such removal may be accomplished without damage to the Locomotive. In no event may any such alterations or attachments interfere with the normal and satisfactory operation or maintenance of the Locomotive. If requested by Lessor, upon lease termination Lessee shall remove the alterations or attachments and return the Locomotive to its original condition. Lessor shall have no liability to compensate Lessee for any work whatsoever performed by Lessee on Locomotive. Lessee shall not remove, or have removed, any part or component of the Locomotive unless replaced with the same or similar part or component of the same or better quality and such removal and replacement was performed for necessary maintenance purposes.

10) OPERATION OF LOCOMOTIVE

- a) OPERATION BY QUALIFIED PERSONNEL. Lessee is solely responsible for the safe operation of the Locomotive and for insuring that all personnel involved in any way with the Locomotive, including, but not limited to, those involved in the operation and maintenance of the Locomotive, are fully qualified and properly supervised. Any training in regard to the operation or maintenance of the Locomotive conducted by Lessor is of limited scope and shall not be deemed in any way as a substitute to regular and official training programs, nor shall Lessor's provision of such training be deemed to be a representation or warranty as to the sufficiency or adequacy of the same.
- b) OPERATION ONLY IN SAFE LOCATION. Lessee is solely responsible for determining when and where within the Location the Locomotive shall be operated. Lessee acknowledges and fully understands that there is severe danger of fire or explosion if the Locomotive is operated in any area, wayside, or building in which a spark or flame could cause an explosion or fire, and that the equipment of the Locomotive with "spark arrestors" does not completely eliminate this risk nor shall Lessor's supplying or installing of such "spark arrestors" be deemed to be a representation or warranty as to the sufficiency or adequacy of the same. Lessee assumes all risk of loss in any way due to, resulting from, or connected with the operation of the Locomotive and Lessee shall defend, indemnify, protect and hold harmless Lessor, its directors, officers, shareholders, employees, agents, administrators, successors and assigns from and against all claims, demands, liabilities, losses, damages, costs, payments and expenses of every kind and nature (including attorneys' fees and disbursements) imposed as a result of suits, actions, proceedings, injuries, claims, demands, judgments or settlements by law or otherwise of every kind, nature and character, arising out of, incident or relating to, connected with or in any way caused or occurring by the operation of the locomotive in any location where fire or explosion results.

- c) UNSUITABLE PURPOSE. Lessee shall not use or permit the Locomotive to be used in any manner or for any purpose for which, in the opinion of the manufacturer, the Locomotive is not designed or reasonably suitable. Lessee shall not use the Locomotive for the generation of electrical power without the express written consent of Lessor. In no event shall Lessee operate, use or maintain the Locomotive less favorably than Lessee would or should operate, use or maintain its own equipment.

11) LESSEE'S RESPONSIBILITY FOR LOSS OR DAMAGE TO LOCOMOTIVE.

- a) Lessee shall be wholly responsible for all damage, fire, loss, or theft to the Locomotive from any cause while the Locomotive is in the Possession of Lessee, including, but not be limited to, damages resulting from the negligent acts or omissions of Lessee or Lessee's employees, agents or subcontractors, misuse, abuse, unauthorized use of the Locomotive, acts of God, collisions, accidents, derailments, fire, freeze damage, vandalism, theft, mysterious disappearance, or continued operation of Locomotive in need of service.
- b) If the Locomotive is rendered unusable as a result of any damage, fire, loss, or theft to the Locomotive, Lessor or its agent shall be immediately notified and Lessee shall make the Locomotive available for immediate inspection (if possible) by Lessor or its agent and this Lease shall continue in full force and effect without any abatement of Lease Rate. Within fifteen (15) days after the date of such occurrence or inspection (whichever is later) Lessor shall determine, at its reasonable discretion, whether such Locomotive can likely be repaired to a pre-occurrence condition or recovered.
- i) In the event Lessor determines that the Locomotive **cannot** economically be repaired or recovered, Lessee, or its insurance carrier, at its sole expense shall promptly pay to Lessor an amount equal to the Casualty Value as set forth on the "Locomotive Lease Terms" (attached hereto as "Exhibit A"). Immediately upon such payment, this Lease will terminate as to the particular Locomotive suffering the loss, Lessor shall transfer to Lessee all of Lessor's rights, title and interest in the Locomotive to Lessee on an "as-is", "where-is" basis without recourse or warranty whatsoever except for the absence of liens arising out of Lessor's interest in the Locomotive, and no further Lease Charges shall accrue for such Unit. Furthermore, Lessor may, at its option, replace such Locomotive with a substantially similar locomotive under the same terms (including full term) of the original Lease Agreement pertaining to the Locomotive suffering the loss.
- ii) In the event Lessor determines that the Locomotive **can** economically be repaired, Lessor shall designate a repair location, which may include, without limitation, Lessor, its agents or affiliates and this Lease shall continue in full force and effect without any abatement of Lease Rate. Lessee, or its insurance carrier, at its sole expense shall promptly pay to Lessor an amount equal to the total repair costs but not to exceed the Casualty Value as set forth on the "Locomotive Lease Terms" (attached hereto as "Exhibit A"). Furthermore, Lessor may, at its option, replace such Locomotive with a substantially similar locomotive under the same terms (including full term) of the original Lease Agreement pertaining to the Locomotive suffering the loss. In such case, Lessee, or its insurance carrier, shall pay Lessor an amount equal to the would-be repair cost.
- c) Lessee acknowledges and fully understands that there is a danger of freeze damage to the Locomotive if the cooling water is allowed to freeze, and that the equipment of the Locomotive with block heaters, automatic dump valves, automatic shut-down/starting systems, or other similar mechanisms does not completely eliminate this risk nor shall Lessor's or its agents supply or installation of such mechanisms be deemed to be a representation or warranty as to the sufficiency or adequacy of the same. Lessee assumes all risk of loss in any way due to, resulting from, or connected with any freeze damage to the Locomotive.

12) RETURN OF LOCOMOTIVE

- a) RETURN CONDITIONS. When this Lease expires, is earlier terminated or after any storage period the Locomotive shall be delivered to Lessor's designated Return Location (defined hereafter) in the following condition ("Return Conditions"):
- i) complete, clean and free of cracked, broken, damaged, non-functional equipment or missing parts;
- ii) in good, efficient, and safe working order, condition and repair in accordance to Lessor's or OEM's specifications or documentation with all systems operating as designed;
- iii) capable of making rated horsepower (+/- 10%);
- iv) in the same good and serviceable condition as when received by Lessee, other than wear and tear that is normal and customary among all types of operations;
- v) free of any dented, scratched or deformed metal from a collision or accident;
- vi) free of any rust or removed paint;
- vii) in compliance with any rules, regulations and standards now or hereafter promulgated by applicable governmental authorities; and
- viii) fuel tanks at least ½ full and wastewater tanks empty of black water (if any);
- ix) free of any reporting marks of Lessee and re-stenciled in accordance with the written instructions of Lessor. Any repairs made to the Locomotive to meet the Return Conditions by Lessee shall be made by qualified personnel following OEM guidelines and shall be at Lessee's sole expense.
- b) END OF LEASE INSPECTION. Upon Lessor's receipt of the Locomotive at its designated Return Location (defined hereafter), Lessor, or its agents, shall perform an end of lease inspection verifying the Locomotive meets the Return

Conditions. If the Locomotive does not meet the Return Conditions, Lessor shall prepare for Lessee's review a written description of such defects. Lessee, or its agents, shall have seven days to confirm such defects through a joint inspection with Lessor.

- c) FAILURE TO MEET RETURN CONDITIONS. Lessee shall be wholly responsible for all costs of bringing the Locomotive into compliance with the Return Conditions. Lessor shall repair, or have repaired, such defects and the total costs thereof shall be payable to Lessor within ten days of invoice by Lessee.
- i) This Lease shall remain in full force and effect (including Lessee's obligation to pay Rent and maintain insurance) until Lessor has received the Locomotive at its designated Return Location and the Locomotive is accepted by Lessor as having met the Return Conditions.
  - ii) At Lessor's option, Lessee shall pay to Lessor the amount quoted by a qualified and competitive locomotive service provider to repair the Locomotive and bring it into compliance with the Return Conditions. Such payment by Lessee shall, de facto, bring the Locomotive into compliance with the Return Conditions. In this case, Lessee shall have no liability to Lessor for repairs in excess of the amount then paid unless such additional defects were hidden or latent and unforeseen at time of quotation by the locomotive service provider.
- d) FREIGHT/RETURN OF LOCOMOTIVE.
- i) Lessee shall pay all transportation and insurance charges incurred in delivery of the Locomotive from Lessee's location to the location Lessor may reasonably designate within the United States ("Return Location") when this Lease expires, is earlier terminated, or after any storage period on Lessee's property. Lessee shall affect prompt delivery of the Locomotive to such Return Location when this Lease expires, is earlier terminated or after any storage period on Lessee's property. Lessee shall perform, or have performed, all FRA or Railroad required tests and checks for preparation of the Locomotive for shipment. Any items of non-compliance shall be promptly repaired by Lessee at its expense. If required by any involved carrier, Lessee shall also apply, or have applied, alignment control couplers and pay for any charges incurred for the rental, application and removal thereof. Prior to shipment Lessee shall ensure that the Locomotive is secured and that the computer card compartment is locked with a combination locking device with brake and reverser handles placed therein (if applicable). Lessee shall request of Lessor instruction as to freeze prevention (i.e. shipped running, dead and drained, or dead and not drained) and shall perform same prior to shipment.
  - ii) At request of Lessor, Lessee shall provide up to ninety (90) days of storage at no cost to Lessor when this Lease expires or is earlier terminated. The protection (including freeze protection) and storage of such Locomotive during such ninety (90) day period shall be at the expense and risk of Lessee. Lessee shall properly prepare the Locomotive for storage (i.e. stacks capped, batteries disconnected, Locomotive secured) and, at request of Lessor or if there is any risk of freeze damage, Lessee shall properly "winterize" the Locomotive following OEM and/or Lessor instructions. Notwithstanding anything contained herein to the contrary, no Lease Rate charges shall accrue during any such storage period.
  - iii) In the event that the Locomotive is not delivered to Lessor's designated Return Location within thirty (30) days of the end of the Lease Term, all of the obligations of Lessee under this Lease shall remain in full force and effect; provided, however, the Lease Rate for such Locomotive shall thereafter be set at 1.25 times the Lease Rate until Lessor has received the Locomotive at its designated Return Location and the Locomotive is accepted by Lessor as having met the Return Conditions.
  - iv) Lessee shall furnish within 15 days of the return of Locomotive to Lessor copies of all maintenance records, documents, charts, drawings, work reports, etc. relating to Lessee's maintenance of the Locomotive.

### 13) LESSEE'S DEFAULT.

- a) Lessor, at its option, may, by written notice to Lessee, declare this Lease in default on the occurrence of any of the following:
- i) Failure by Lessee to pay Lease Charges or any other monetary amounts due to Lessor by Lessee under this Lease or any other agreement outside of this Lease between Lessor and Lessee, in each case, in full, when due and (i), if no payment has been sent by Lessee and such failure continues uncured for ten (10) days of said due date or (ii), if payment has been sent by Lessee but has been lost, misdirected, or misapplied and such failure continues uncured for ten (10) days after notice of Lessee's failure to pay by Lessor.
  - ii) Failure of Lessee to perform any of its non-monetary obligations under this Lease and such failure continues uncured for fifteen (15) days after notice of Lessee's failure to perform by Lessor;
  - iii) Voluntary assignment or sublease by Lessee of this Lease or of Lessee's interest herein without prior written consent of Lessor;
  - iv) Involuntary transfer of Lessee's interest herein;
  - v) directly or indirectly attempts or allows the removal, sale, transfer, encumbrance, parting with possession or subletting of any Equipment or any part thereof in a manner prohibited hereunder;
  - vi) Lessee ceases doing business as a going concern;
  - vii) Expiration or cancellation of any policy of insurance agreed to be maintained and paid for by Lessee, or the cessation in force according to its original terms of such insurance, or of any extension or renewal of such insurance, during the entire Term of this Lease.

- b) Upon the occurrence of any default by Lessee, Lessor, at its option, shall have each of the following remedies, which are cumulative and not exclusive: (i) immediately terminate Lessee's rights hereunder without any penalty accruing to Lessor; (ii) require Lessee, at its expense, promptly to return the Locomotive to the possession of Lessor with or without process of law and directly or acting through agents, without liability to Lessor, enter upon the premises of Lessee or other premises where all or any portion of the Locomotive may be and take immediate possession thereof, and thereafter hold, possess, and enjoy the same free from any right of Lessee to the possession and use of the Locomotive for any purpose whatsoever in which event Lessee hereby expressly waives all further rights to possession of the Locomotive; (iii) require Lessee to continue to make Lease Payments whether or not the Locomotive is in Lessee's possession until the Locomotive is re-let upon the same or better terms. Lessor shall have the obligation to mitigate damages by using its best efforts to re-let the Locomotive upon the same or better terms and Lessee shall make Lessor whole in the event that the Locomotive cannot be re-let upon the same or better terms. However, Lessor shall have the right to lease any other Locomotives in its possession prior to Lessee's Locomotive; (iv) recover from Lessee all commercially reasonable costs and expenses incurred by Lessor in any repossession or recovery of the Locomotive including reasonable attorneys' fees and costs incurred in connection therewith or otherwise resulting from Lessee's default; (v) recover from Lessee all commercially reasonable costs and expenses incurred by Lessor in preparing, shipping, and re-letting the Locomotive; (vi) interest at one and one-half percent (1.5%) per month for any past due amounts; and/or (vii) exercise any other right or remedy which may be available under the Uniform Commercial Code or any other applicable law and proceed by appropriate court action or actions, at law or in equity, either to enforce performance by Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof or the breach of any warranty or representation herein contained. Lessee shall be liable for all costs and expenses, including reasonable attorneys' fees and disbursements, incurred by reason of the occurrence of any event of default or the successful exercise by Lessor of remedies with respect thereto. If any statute governing any proceeding hereunder specifies the amount of Lessor's deficiency or other damages for breach of this Lease by the Lessee, Lessor shall be entitled to an amount equal to that allowed under such statute. Lessor's remedies hereunder shall not be deemed exclusive, but shall be cumulative and may be exercised concurrently or consecutively, and shall be in addition to all other remedies in its favor existing at law or in equity. Lessee hereby waives any requirements of law which might limit or modify the remedies herein provided. Lessor shall, moreover, be entitled to all rights provided for in any bankruptcy act, including the right to take possession of any Equipment upon any event of default hereunder, regardless of whether Lessee is in reorganization. No failure or delay by Lessor in exercising, any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege by Lessor preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. In the event that Lessee shall fail duly and promptly to perform any of its obligations hereunder, the Lessor may, at its option, perform same for the account of Lessee without thereby waiving such default. Any amount paid or expense (including reasonable attorney's fees), incurred by the Lessor in such performance, together with interest at the rate of 1.5% per month (if not prohibited by law, otherwise at the highest lawful rate permitted thereon) until paid, shall be payable by the Lessee upon demand as additional rent hereunder.

#### 14) INDEMNITY.

- a) Lessee hereby assumes and agrees to pay and release, acquit, waive any rights against and forever discharge Lessor, its directors, officers, shareholders, employees, agents, administrators, affiliates, successors and assigns from and against any and all claims, demands, liabilities, losses, damages, costs, payments and expenses of every kind and nature (including attorneys' fees and disbursements) imposed as a result of suits, actions, proceedings, injuries, claims, demands, judgments or settlements by law or otherwise of every kind, nature and character on account of personal injuries, including death, at any time resulting from or on account of damage to or destruction of the locomotive(s) or their operation or use, arising out of, incident or relating to, connected with or in any way caused or occurring by the possession, control, condition, use or operation of the Locomotive by Lessee, its employees, officers, agents, customers, or subcontractors, and all persons acting on their behalf in conjunction with the use or possession of the locomotive(s) or their operation or use. Lessee shall also indemnify, protect and hold harmless Lessor, its directors, officers, shareholders, employees, agents, administrators, affiliates, successors and assigns from and against all claims, demands, liabilities, losses, damages, costs, payments and expenses of every kind and nature (including attorneys' fees and disbursements) imposed as a result of suits, actions, proceedings, injuries, claims, demands, judgments or settlements by law or otherwise of every kind, nature and character, arising out of, incident or relating to, connected with or in any way caused or occurring by the possession, control, condition, use or operation of the Locomotive by Lessee, its employees, officers, agents, customers, or subcontractors, and all persons acting on their behalf regardless of where, how, and by whom operated. Provided, however, that Lessor, its directors, officers, shareholders, employees, agents, administrators, successors and assigns may elect, in their sole discretion, to participate in the defense thereof at their own expense or may at their own election and expense, employ attorneys of their own selection to appear and defend the same on behalf of Lessor, its directors, officers, shareholders, employees, agents, administrators, successors and assigns. Lessee shall not enter into any compromise, or settlement of any such suits, actions, proceedings, injuries, claims, demands, judgments or settlements by law or otherwise of every kind, nature and character, without the consent of Lessor, which consent shall not be reasonably withheld. Notwithstanding the foregoing, Lessor's election to participate in its own defense shall in no way release Lessee from its obligations set forth above.

- b) Lessee hereby waives any claims against Lessor for any loss of use or loss of revenue, or incidental, indirect or direct, consequential damages arising out of any fault or failure of the Locomotive.
- c) The indemnities and assumptions of liabilities and obligation herein provided in this section shall continue in full force and effect notwithstanding the termination of this Lease, whether by expiration of time, by operation of law or otherwise.

15) RISK OF LOSS AND INSURANCE REQUIREMENTS. All risk of loss and damage to the Locomotive shall be borne by Lessee and Lessee shall maintain insurance as follows:

a) Damage to Locomotive

- i) Lessee shall cause Lessor, and its successors, assigns, and any senior interest holder to be named as the sole loss payee on an "All Risk" property damage insurance policy covering the damage, fire, loss, or theft of the Locomotive including any period of time the locomotive is in transit from its current location to any repair facility and/or Lessee's location, during any storage period on Lessee's property and any period of time the Locomotive is in transit from Lessee's location to the Return Location and the Locomotive is accepted by Lessor as having met the Return Conditions when this Lease expires, is earlier terminated or after any storage period on Lessee's property. The policy shall waive any subrogation rights against Lessor, contain a Breach of Warranty Clause, issued by a company rated "A" or better by Best's Insurance Services, authorized to transact business in all of the states in which the Locomotive shall be used or operated, and otherwise reasonably acceptable to Lessor. Upon execution of this Agreement, Lessee shall deliver to Lessor a certificate of insurance and endorsement to the underlying policy or policies, evidencing compliance with this requirement. Said certificate and endorsement shall provide that the policy of insurance represented thereby shall not be canceled or altered without thirty (30) days notice to Lessor, and shall evidence an insurance amount of not less than the then-full market value of the Locomotive or the amount as indicated on the "Locomotive Lease Terms" (attached hereto as "Exhibit A"), which amount may be increased by Lessor from time to time upon thirty (30) days notice to Lessee ("Causality Value"). It is a condition of this Lease that Lessee provides Lessor with evidence of annual renewal of said insurance during the Term of this Lease. Lessee shall maintain such insurance during the entire Term of this Lease.

b) Commercial Liability Insurance

- i) Lessee shall cause Lessor, and its successors, assigns, and any senior interest holder to be named as a primary additional insured on a broad form policy of comprehensive general liability insurance, including pollution coverage, without a railroad exclusion clause. The policy shall contain a cross-liability or severability of interests clause, issued by a company rated "A" or better by Best's Insurance Services, authorized to transact business in all of the states in which the Locomotive shall be used or operated, and otherwise reasonably acceptable to Lessor. Upon execution of this Agreement, Lessee shall deliver to Lessor a certificate of insurance and endorsement to the underlying policy or policies, evidencing compliance with this requirement. Said certificate and endorsement shall provide that the policy of insurance represented thereby shall not be canceled or altered without thirty (30) days notice to Lessor, and shall evidence an insurance amount of not less than \$10,000,000 combined single limit for bodily injury and property damage. It is a condition of this Lease that Lessee provides Lessor with evidence of annual renewal of said insurance during the Term of this Lease. Lessee shall maintain such insurance during the entire Term of this Lease and until the Locomotive is returned to Lessor, and if such insurance is a claims made policy, said insurance policy must be maintained in force for a period of two years following the termination of this Lease, as to matters occurring during the Term of this Lease.

16) COMPLIANCE WITH LAW

- a) Lessee shall be responsible and pay for all registrations, certificates, and permits, and all other similar requirements of governmental authorities, whether required to be obtained in the name of the Lessor or Lessee.
- b) Lessee shall comply with all federal, state, municipal, and local laws, ordinances, rules, and regulations relating to the Lease, possession, insuring, use, and operation of the Locomotive.
- c) Lessee shall be solely responsible for the payment of any and all fines, penalties or forfeitures (including, without limitation, the confiscation of the Locomotive levied upon or arising out of the use, operation, maintenance or insuring of the Locomotive in violation of any law, ordinance, rule or regulation of any governmental authority).
- d) Lessee shall keep and maintain any and all books and records and make any filings required by any governmental authority with respect to the possession, lease, use or operation of the Locomotive.

17) ENVIRONMENTAL MATTERS. In connection with the possession, use, and operation of the Locomotive, Lessee shall, at Lessee's sole cost and expense, comply with all environmental, health or safety related laws, regulations, rules, ordinances, bylaws, permits or licenses at the federal, state, or local level, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 and the Resource Conservation and Recovery Act of 1976, each as amended ("Environmental Laws"). In the event of (a) a leak ("Leak") of any "hazardous material," "pollutant," "chemical," "toxic substance," "waste," or "contaminant" as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C.A §9601(14) or any other Environmental Law, or any substance containing "petroleum", as that term is defined in the Resource Conservation and Recovery Act, as amended, 42 U.S.C.A. §6991(8), or (b) the existence of any other condition ("Other Condition") that may give rise to any liability under any Environmental Law, Lessee shall immediately (i) cease use and operation of the Locomotive, (ii) notify Lessor of the same, and (iii) commence any necessary or

prudent containment and remediation, which containment and remediation shall be at Lessee's sole cost and expense and which shall be completed by Lessee as soon as is possible. Lessor shall in no way whatsoever be liable or otherwise responsible for (i) compliance or noncompliance with any Environmental Law in connection with the Locomotive, (ii) any Leak or Other Condition, (iii) any costs or losses to Lessee associated with Lessee's cessation of use and operation of the Locomotive pursuant to this paragraph, or (z) any containment or remediation pursuant to this paragraph. Lessee may only resume use and operation of the Locomotive when such containment and remediation have been fully completed in accordance with this Lease and all Environmental Laws.

- 18) TAXES, LICENSES. Lessee shall pay all fees and sales, use, personal property, lease or similar taxes except income taxes, whether payable by Lessor or Lessee or others, on or relating to the possession, control, use or operation of the Locomotive and/or this Lease or the Lease Charges hereunder and shall file all returns required therefore and furnish copies thereof to Lessor. Upon demand, Lessee shall reimburse Lessor for any such taxes, assessments, charges, fines, or penalties, which Lessor may be compelled to pay in connection with the Locomotive, including all equipment. Lessor shall cooperate with Lessee and furnish Lessee with any information available to Lessor in connection with Lessee's obligations under this paragraph.
- 19) ASSIGNMENT OF LEASE, SUBORDINATION. This Lease shall be assignable by Lessor and by its assigns without the consent of Lessee. However, Lessor shall provide Lessee written notice at least forty-five (45) days in advance of any such assignment prior to requiring any change of process or procedure contained herein. Notwithstanding anything to the contrary contained herein, the obligation of Lessee to pay Lease Charges to such assignee shall be absolute and unconditional and shall not be affected by any circumstances whatsoever and such payment shall be made without interruption or abatement notwithstanding any event or circumstance whatsoever, including, without limitation, the bankruptcy or insolvency of Lessee or any disaffirmance of this Lease by or on behalf of Lessee, and notwithstanding any defense, setoff recoupment or counterclaim or any other right whatsoever, whether by reason of breach of this Lease or otherwise which Lessee may now or hereafter have against Lessor and whether any such event shall be by reason of any act or omission of Lessor or otherwise; provided however, that nothing herein contained shall affect any right of Lessee to enforce against Lessor any claim which Lessee may have against Lessor in any manner other than by abatement, attachment or recoupment of interference with, or set-off, counterclaim or defense against, the aforementioned payments to be made to such assignee. Lessee's undertaking herein to pay the Lease Charges to and to perform the other obligations of Lessee hereunder for the benefit of an assignee of Lessor shall constitute a direct, independent and unconditional obligation of Lessee to said assignee. Lessee also acknowledges and agrees that any assignee of Lessor's interest in this Lease shall have the right to exercise all rights, privileges and remedies (either in its own name or in the name of Lessor) which by terms of this Lease are permitted to be exercised by Lessor. Lessee shall have no right to assign or sublease this Lease or Lessee's interest herein. Lessee shall not assign, sublease or permit the use or operation of the Locomotive by any other person, firm or corporation, except with the written consent of Lessor, in its sole discretion. Notwithstanding any allowable assignment or sublet as provided in this Section, Lessee shall not be relieved of its obligations hereunder without the written consent of the Lessor, in its sole discretion.
- 20) WARRANTY. UNLESS OTHERWISE SPECIFICALLY INDICATED HEREIN ON EXHIBIT C, LESSEE ACKNOWLEDGES THAT THE EQUIPMENT IS PROVIDED "AS IS", "WHERE IS" WITH ALL FAULTS, AND IN WHATEVER CONDITION IT MAY BE. LESSOR, NOT BEING THE MANUFACTURER OF THE EQUIPMENT, THE MANUFACTURER'S AGENT OR THE SELLER'S AGENT, DOES NOT MAKE NOR HAS IT MADE, OR SHALL IT BE DEEMED TO MAKE OR HAVE MADE, INCLUDING WITHOUT LIMITATION BY VIRTUE OF HAVING PARTICIPATED IN THE INSPECTION OF SUCH EQUIPMENT OR THE MAKING OF REPAIRS TO SUCH EQUIPMENT, ANY REPRESENTATION OR WARRANTY OF ANY KIND RESPECTING THE EQUIPMENT OR THE REPAIR WORK THEREON, WHETHER STATUTORY, WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR USE, VALUE, QUALITY, DURABILITY, COMPLIANCE WITH SPECIFICATIONS OR DESIGN, CONDITION OF THE EQUIPMENT, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE EQUIPMENT, ALL OF WHICH IS EXPRESSLY DISCLAIMED. LESSOR SHALL NOT BE LIABLE, IN CONTRACT OR TORT BECAUSE OF ANY DEFECT WHETHER HIDDEN, LATENT, OR OTHERWISE DISCOVERABLE OR NONDISCOVERABLE RESPECTING THE EQUIPMENT OR ANY REPAIR THERETO Lessee accordingly agrees not to assert and waives any right it might otherwise have had to assert any claim whatsoever against Lessor based thereon. Lessee further agrees, regardless of cause, not to assert any claim whatsoever against Lessor for special, incidental, indirect, or consequential damages, including without limitation anticipatory profits. Notwithstanding the foregoing, Lessor warrants that it has the right and authority to Lease the Equipment on the terms set forth herein.
- 21) TITLE TO LOCOMOTIVE. During the Term of this Lease, the locomotive shall at all times remain the sole and exclusive property of Lessor. Title to the Locomotive shall be and remain in Lessor's name at all times during the Term of this Lease. Lessee shall not remove or permit to be removed any serial number, model, name or other indicia showing ownership of the Locomotive by Lessor. Lessee will not sell, rent, lend, transfer or otherwise, directly or indirectly, create, incur, assume or suffer to exist any lien or other encumbrance on or with respect to the Locomotive. Lessee shall execute all recording documents

requested by Lessor to show Lessor's interest in the Locomotive and Lessee will, from time to time, execute, acknowledge and deliver to Lessor any and all further instruments reasonably requested by Lessor, for the purpose of protecting such title to the Equipment. Lessee shall not voluntarily or involuntarily create, incur, assume or suffer to exist any mortgage, lien, pledge or other encumbrance or attachment of any kind whatsoever upon, affecting or with respect to the Locomotive or this Lease or any of Lessee's interests thereunder. Lessee shall hold Lessor harmless against any liability or expenses (including attorney fees and costs) on account of Lessee's failure to do the same. Nothing contained in this Lease shall authorize Lessee to incur or impose any liability or obligation for or on behalf of Lessor. Lessee shall give Lessor, or its agents, access to the Locomotive as reasonably required by Lessor. At Lessor's request, Lessee shall provide Lessor its most recent financial statements for review

22) MISCELLANEOUS PROVISIONS.

- a) **MULTIPLE AGREEMENTS.** For the purpose of convenience, the parties agree that, in the event that more than one Locomotive is referenced on the exhibits attached hereto, from time to time, this Lease Agreement shall be deemed a separate, distinct, and independent lease agreement as to each Locomotive referenced on such exhibits.
- b) **INVALID PROVISIONS.** In the event any term or provision of this Lease is held invalid, illegal, or unenforceable, in whole or in part, the validity, legality, and enforceability of the remaining terms and provisions of this Lease shall not in any way be affected thereby.
- c) **CONSTRUCTION.** The validity, construction, and enforcement of this Lease shall be governed by the laws of the State of Illinois.
- d) **GOVERNING LAW / CONSENT TO JURISDICTION / WAIVER OF JURY TRIAL.** This Agreement shall be governed under the laws of the State of Illinois. The parties hereby submit to the jurisdiction of the courts of the state of Illinois, or federal courts located in the state of Illinois, as to all disputes arising hereunder. **LESSEE HEREBY WAIVES ANY RIGHT TO A JURY TRIAL WITH RESPECT TO ANY MATTER ARISING UNDER OR IN CONNECTION WITH THIS LEASE.**
- e) **BINDING EFFECT.** This Lease shall be binding upon and inure to the benefit of the parties hereto, their permitted successors and assigns.
- f) **ENTIRE AGREEMENT.** This Lease constitutes the entire agreement between the parties with respect to the subject matter hereof. This Lease supersedes any and all other prior or contemporaneous agreements, oral or written, between the parties hereto with respect to the subject matter hereof.
- g) **AMENDMENTS.** No change or modification of this Lease shall be valid unless the same shall be in writing and signed by each party.
- h) **NOTICES.** All notices shall be made in writing and delivered to the party to which such notice is being given by registered mail (return receipt requested) at the address written below, or to such other address as may be hereafter specified by like notice by either party to the other.
- i) **HEADINGS.** Section headings used in this Lease are for convenience of reference only and shall be given no effect in the interpretation of this Lease.
- j) **COUNTERPARTS.** This Lease may be executed in several counterparts, each of which shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Lease to be duly executed as of the day and year first above written.

**LESSOR:**  
TITAN Rail, Inc.  
One East Merchants Drive  
Suite 304  
Oswego, IL 60543-9453

By: [Signature]  
Signature

Title: President

Name: Eric C. Bachman  
Print

Date: 5/7/08

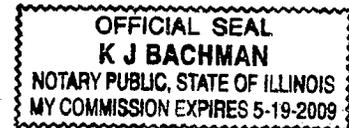
STATE OF ILLINOIS )  
                                  ) ss.  
COUNTY OF KENDALL )

I, K.J. Bachman, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT Eric C. Bachman, President of TITAN Rail, Inc., who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the act of said corporation for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 9 day of May, 2008.

[Signature] Notary Public

Notary Seal:



**LESSEE:**  
Gerdau Ameristeel US Inc.  
4221 W Boy Scout Boulevard  
Suite 600  
Tampa, FL 33607

By: [Signature]  
Signature

Title: Vice President

Name: Timothy J Bourcier  
Print

Date: 4/28/08

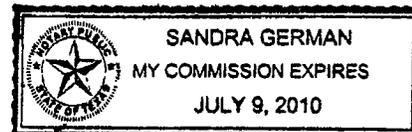
STATE OF TX )  
                                  ) ss.  
COUNTY OF Ellis )

I, Sandra German, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT Tim Bourcier, Vice President of Gerdau Ameristeel US Inc., who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the act of said corporation for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 28 day of April, 2008.

[Signature] Notary Public

Notary Seal:



**Exhibit A[2]**  
**Locomotive Lease Terms**

**Locomotive Make:** EMD SW 1200

**Locomotive Identifier:**

**Optional Equipment:** ZTR Smart Start System, Cattron MP 96 RCL

**Commence Date/Event:** Upon Shipment

**Lease Term:** 60 Months

**Location of Locomotive Use:** Jacksonville, FL

**Casualty Value/Minimum Required Damage Insurance Amount:** \$450,000

**Daily Lease Rate:** \$142.40 (payable monthly using actual days of month)

IN WITNESS WHEREOF, Lessor and Lessee have caused this Exhibit A to be duly executed as of the day and year written below and desire the same to be made part of that certain Locomotive Lease Agreement between the parties hereof, and shall supersede any and all prior or contemporaneous like presents.

---

**LESSOR:**  
**TITAN Rail, Inc.**  
**One East Merchants Drive**  
**Suite 304**  
**Oswego, IL 60543-9453**

By: \_\_\_\_\_

Signature

Title: \_\_\_\_\_

President

Name: \_\_\_\_\_

Print

Eric C. Bachman

Date: \_\_\_\_\_

5/7/08

---

**LESSEE:**  
**Gerdau Ameristeel US Inc.**  
**384 Old Grassdale Road, NE**  
**Cartersville, GA 30121**

By: \_\_\_\_\_

Signature

Title: \_\_\_\_\_

Vice President

Name: \_\_\_\_\_

Print

Timothy J. Bourcier

Date: \_\_\_\_\_

4/28/08

**CERTIFICATE AS TO OFFICERS AND DIRECTORS,  
DIRECTORS' RESOLUTIONS AND MISCELLANEOUS MATTERS**

I, Kelly J. Bachman, do hereby certify that:

1. I am the duly elected, qualified and acting Secretary of Titan Leasing, Inc. (the "Borrower"), a corporation duly organized, existing and in good standing under the laws of the State of Illinois.

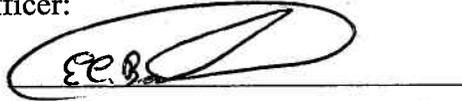
2. I am the keeper of the corporate records of Borrower.

3. The following named persons are the present officers and directors of Borrower, each duly elected, qualified and acting as such:

Eric C. Bachman – President, Vice President and Treasurer

4. The signature appearing opposite the name of each signing officer of the Borrower is the genuine signature of such officer:

Eric C. Bachman



5. The following is a full, true and correct copy of resolutions duly adopted by Borrower's Board of Directors, at a meeting thereof held on the \_\_\_\_ day of October, 2008, which meeting was duly convened in accordance with Borrower's Certificate of Incorporation and By-Laws and all applicable laws, and which resolutions have not in any way been modified or rescinded, but are in full force and effect:

"RESOLVED, that the President, Secretary, Treasurer or Chief Financial Officer of the Borrower, or any other person from time to time designated by the Board of Directors of Borrower (each such person being hereinafter referred to as the "Designated Person") is hereby authorized, directed and empowered now and from time to time hereafter to make, execute and deliver for and on behalf of and in the name of the Borrower any and all documents required in connection with the Security Agreement (Relating to Loans on the Security of Present and Future Leases and Equipment) (the "Agreement") entered into with Wells Fargo Equipment Finance, Inc. (the "Bank"); and

BE IT FURTHER RESOLVED, that the Agreement may contain such provisions, terms, conditions, covenants, warranties and representations as the Designated Person may in his or her sole discretion deem advisable, necessary or expedient; and

BE IT FURTHER RESOLVED, that the Designated Person is hereby authorized, directed and empowered for and on behalf of and in the name of Borrower now and from time to time hereafter, as he or she in his or her sole discretion deems advisable, necessary, expedient, convenient or proper, to: (a) execute and deliver to the Bank such agreements, instruments and documents as Bank may request or require to effectuate the purpose and intent of the Agreement or these Resolutions; and/or (b) amend, modify, alter, extend, renew or otherwise change any of the provisions, terms, conditions, covenants, guaranties or representations contained in the Agreement; and

BE IT FURTHER RESOLVED, that the Designated Person is hereby authorized, directed and empowered to do and perform all acts and things he or she deems advisable, necessary, expedient, convenient or proper in order to consummate fully all of the transactions contemplated under the Agreement or these Resolutions; and

BE IT FURTHER RESOLVED, that this meeting hereby ratifies, approves and confirms any and all acts and things that the Designated Person has done or may do in any way relating to or arising from or in connection with the Agreement and these Resolutions and such acts and things of the Designated Person shall at all times receive full faith and credit by the Bank without the necessity of inquiry by the Bank; and

BE IT FURTHER RESOLVED, that the authorizations herein set forth shall remain in full force and effect for the term of the Agreement and all renewal terms thereof and the Secretary or any Assistant Secretary of the Borrower are hereby authorized and directed to certify and affix the corporate seal thereunto and furnish to the Bank a copy of the Resolutions.”

IN WITNESS WHEREOF, I have hereunto subscribed my name as Secretary of the Borrower and have caused the seal of the Borrower to be hereto affixed as of the 24<sup>th</sup> day of October, 2008.

By

  
Secretary

**CERTIFICATION**

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

Dated: April 2, 2015

*Edward M Luria*

\_\_\_\_\_  
Edward M. Luria