



ATTORNEYS AT LAW

September 27, 2012

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

Dear Section Chief:

Please find attached one (1) copy of a Security Agreement dated October 9, 2008 between the following parties:

Lessor: Titan Leasing, Inc.
1 East Merchants Drive, Suite 304
Oswego, IL 60543

Lender: Wells Fargo Equipment Finance, Inc.
Investors Building, Suite 700
733 Marquette Avenue
Minneapolis, MN 55479-2048

This filing is to appear in the index as follows: Security Agreement dated October 9, 2008 granting a security interest in One (1) EMD SW 9/1200 locomotive with a reporting mark TANX 1253.

Please file this as a primary document as defined in the Board's Rules for the Recordation of Documents. The filing fee in the amount of \$41.00 can be charged to our account.

Should you have any questions or need further information, please do not hesitate to contact me at (312) 784-2400.

Respectfully Submitted,

/s/ Brandon Hamada

Brandon Hamada
Attorney for Wells Fargo Equipment Finance, Inc.

Enclosure

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. Borrowers 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} 10/24/09

(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

**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

A handwritten signature in black ink, appearing to read 'E.C.B.', is written over a horizontal line. The signature is enclosed in a hand-drawn oval.

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 24th day of October, 2008.

By


Secretary

MAR 16 '09

2-45 PM

FLETCHER & SIPPEL LLC

ATTORNEYS AT LAW

29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832JEREMY M. BERMAN
(312) 252-1510
jberman@fletcher-sippel.com

March 13, 2009

SURFACE TRANSPORTATION BOARD

Phone: (312) 252-1500
Fax: (312) 252-2400
www.fletcher-sippel.com*Via Overnight (Next Business Day) Delivery*Ms. Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001
Attn: Office of Recordations

Dear Secretary Quinlan:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are an original and two (2) copies of a Memorandum of Lease, dated as of March 6, 2009, a primary document as defined in the Board's Rules for the Recordation of Documents.

A description of the railroad equipment covered by the enclosed document follows: One (1) EMD SW 9/1200 locomotive with a reporting mark TANX 1253.

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

Lessor:	Titan Rail, Inc. 1 East Merchants Drive Oswego, Illinois 60453
Lessee:	Gerdau Ameristeel US, Inc. 384 Old Grassdale Road, NE Cartersville, Georgia 30121

Also enclosed is a check in the amount of \$41.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of the enclosed document to the undersigned.

Respectfully submitted,



Jeremy M. Berman
Attorney for Titan Rail, Inc.

Enclosures

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE provides notice of a lease between Titan Rail, Inc., a Delaware corporation, with its chief executive office and principal place of business at 1 East Merchants Drive, Oswego, Illinois 60453 (hereinafter the "Lessor"), and Gerdau Ameristeel US, Inc., a Florida corporation, with its principal place of business at 4221 West Boy Scout Boulevard, Suite 600, Tampa Florida 33607 (hereinafter the "Lessee").

Lessor hereby states the following:

1. As reflected on the attached signature page, Lessor and Lessee are parties to a certain Lease, whereby Lessor leases to Lessee one (1) EMD SW 9/1200 locomotive bearing the railroad reporting mark TANX 1253.
2. Lessor desires to execute this Memorandum of Lease for purposes of memorializing of record the lease and security contemplated hereby.

IN WITNESS WHEREOF, the Lessor has caused this Memorandum of Lease to be executed as of the date written below.

WITNESS:

TITAN Rail, Inc., a Delaware Corporation

Eric C. Bachman, CEO

By: *ECB*

Title: President

Date: 3/6/09

STATE OF ILLINOIS)
) ss
COUNTY OF Kendall)

On this 16th day of March, 2009, before me, a Notary Public of the County and State aforesaid, personally appeared Eric C. Bachman to me personally known, who being by me duly sworn, says that he is the President of TITAN Rail, Inc., a Delaware corporation, that said instrument was signed on behalf of said corporation and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.

Michelle R Condon
Notary Public



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
Orwego, IL 60543-9453

By: 
Signature

Title: President

Name: Eric C. Bachman
Print

Date: 5/8/08

STATE OF ILLINOIS)
COUNTY OF KENDALL) ss.

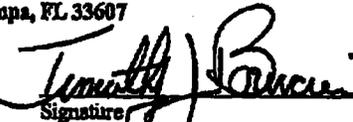
I, K. J. Bachman, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT Eric C. Bachman, President of TITAN Rail, Inc., who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, and acknowledged that he signed and delivered 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.

 Notary Public

Notary Seal:



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

By: 
Signature

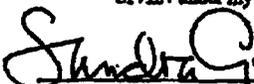
Title: Vice President

Name: Timothy J Bourcier
Print

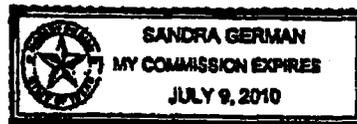
Date: 4/30/08

STATE OF TEXAS)
COUNTY OF ELLIS) ss.

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 31 day of April, 2008.

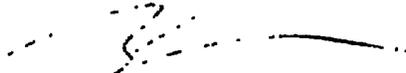
 Notary Public

Notary Seal:



Locomotive Lease Agreement
TITAN Rail, Inc. and Gerdau Ameristeel US Inc.
April 7, 2008
Page 10 of 11

Under penalty of perjury, I declare that I have compared the foregoing copy of the Release of Lien of Security Agreement with the original and have found the copy to be complete and identical in all respects to the original document.



Jeremy M. Berman
Filer for Debtor

OSTER
Researching Services
12897 Colonial Drive • ML Airy, MD 21771
Office/Fax: 301-253-6040
maryannoster@comcast.net

RECORDATION NO. 27845 FILED

MAR 18 '09 -3 10 PM

SURFACE TRANSPORTATION BOARD

March 18, 2009

Anne Quinlan, Esq.
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423

Dear Ms. Quinlan:

Enclosed for recording with the Surface Transportation Board is a Memorandum of Assignment of Rents and Lessors Interests in Leases dated 3/6/09 including the following parties and railroad equipment:

Assignee: Wells Fargo Equipment Finance, Inc.
733 Marquette Avenue So.
Minneapolis, MN 55402

Assignor: Titan Leasing, Inc.
1 East Merchants Drive
Oswego, IL 60453

Equipment: 1, EMD SW1200 Locomotive
TANX 1253

Please record this agreement as a primary document. The filing fee of \$41 is enclosed.

Summary: Memorandum of Assignment of Rents and Lessors Interests in Leases dated 3/6/09 between Wells Fargo Equipment Finance, Inc. as Lessor and Titan Leasing, Inc. as Lessee including 1, Locomotive marked TANX 1253.

Sincerely,



Mary Ann Oster
Research Consultant

Enclosures

RECORDATION NO. 27845 FILED

MAR 18 '09 -3 10 PM

**MEMORANDUM OF ASSIGNMENTS OF RENTS
AND LESSOR'S INTERESTS IN LEASES**

SURFACE TRANSPORTATION BOARD

This MEMORANDUM OF ASSIGNMENTS OF RENTS AND LESSOR'S INTEREST, RIGHTS AND IN LEASES provides notice of an Assignment of Rents and Lessor's Interests in Leases dated and effective as of March 6, 2009 by TITAN RAIL, INC., a Delaware corporation, having its principal offices at One East Merchants Drive, Suite 304, Oswego, Illinois 60543-9998 ("Lessor") and of an Assignment of Rents and Lessor's Interests in Leases dated and effective as of March 7, 2009 by TITAN LEASING, INC., a Delaware corporation, having its principal offices at One East Merchants Drive, Suite 304, Oswego, Illinois 60543-9998 ("Assignor").

WITNESSETH:

A. Assignor is the owner of One (1) EMD SW 9/1200 locomotive bearing the railroad reporting mark TANX 1253 ("Locomotive").

B. The Locomotive is the subject of a lease ("Lease") documented by a Memorandum of Lease previously filed with the Surface Transportation Board under Recordation Number 27843.

C. Lessor has executed and delivered to Assignor a Bill of Sale, related to the Locomotive, dated as of March 6, 2009 and an Assignment of Rents and Lessor's Interests in Leases, related to the Lease, dated as of March 6, 2009.

D. Assignor has executed and delivered to WELLS FARGO EQUIPMENT FINANCE, INC., a Minnesota corporation ("Assignee"), an Assignment of Rents and Lessor's Interests in Leases dated as of March 7, 2009 ("Assignment").

E. Assignee requires that Assignor executes and delivers this Assignment.

NOW, THEREFORE Assignor does hereby sell, assign, transfer, convey, set over and grant unto Assignee all of Assignor's right, title and interest in and to the rents, issues and profits of the Locomotive, including all of Assignor's right, title and interest in any lease, whether written or verbal, or any letting of, or any agreement for the use or sale, of the Locomotive or any part thereof, that may have been heretofore or may be hereafter made or agreed to by Assignor, together with any and all deposits and profits now due and/or that may become due thereunder by virtue thereof and any extensions and renewals thereof and the benefit of any guarantees executed in connection therewith, it being the intention hereby to establish an absolute transfer and assignment of all the said leases and agreements and security deposits, and all the avails thereof, to Assignee (collectively such leases and agreements are referred to hereinafter as the "Leases"), all on the following terms and conditions:

Assignor represents and warrants that Assignor is the sole owner of the entire interest in each of the Leases.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Lessor and Assignor have caused these Assignments to be executed under seal as of the dates written above.

TITAN LEASING, INC.
a Delaware corporation

By: Carrie Repulista
Its: Chief Financial Officer

STATE OF ILLINOIS)
) ss
COUNTY OF)

On this 7th day of April, 2009, before me, a Notary Public of the County and State aforesaid, personally appeared ERIC C. BACHMAN to me personally known, who being by me duly sworn, says that he is the Chief Financial Officer of Titan Leasing, Inc., a Delaware corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.



Michelle R Condon
Notary Public

My Commission Expires:
May 30, 2011

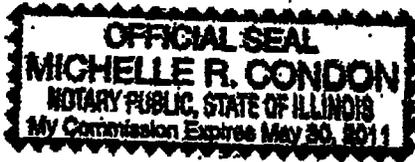
TITAN RAIL, INC.
a Delaware corporation

By: Conan Podawil
Its: Chief Financial Officer

STATE OF ILLINOIS)
) ss
COUNTY OF)

On this 7th day of April, 2009, before me, a Notary Public of the County and State aforesaid, personally appeared ERIC C. BACHMAN to me personally known, who being by me duly sworn, says that he is the Chief Financial Officer of Titan Rail, Inc., a Delaware corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.



Michelle R Condon
Notary Public

My Commission Expires:

May 30, 2011