

RECORDED 30158-A FILED

JAN 30 '13 4 05 PM

~~Surface Transportation Board~~



January 29, 2013

VIA HAND

Cynthia Brown  
Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E. Street, S.W.  
Washington, DC 20423-0001



RE: Document for Recordation

Dear Ms. Brown

Enclosed are one original and one copy of the document described below, to be recorded pursuant to Section 11301 of Title 49 of the U S Code.

This document, entitled Participation Agreement (Railcar Lease - Residual) and dated as of December 31, 2012, is a secondary document.

The primary document to which this is connected, a Memorandum of Lease, is recorded under Recordation No. 30158



Transportation Alliance Leasing, LLC.  
Attn. Preston Koerner  
4185 Harrison Blvd Suite 200  
Ogden, UT 84403-6400



A short summary of the document to appear in the index follows. The document, a Participation Agreement, is a secondary document, dated as of December 31, 2012, by and between Transportation Alliance Leasing LLC (Seller), at 4185 Harrison Blvd, Suite 200, Ogden, UT 84403-6400 and FJ Management Inc. (Participant), at 1104 Country Hills Dr., Ogden, UT 84403. The primary document to which the Participation Agreement is connected is a Memorandum of Lease with Recordation No 30158. The Participation Agreement covers 80 steel gondola rail cars, AAR Code J12, bearing the following car marks and numbers:

TABX 400121 - 400127 (inclusive), TABX 400129 - 400145 (inclusive), TABX 400147 - 400150 (inclusive), TABX 400153- 400173 (inclusive), TABX 400175 - 400204 (inclusive), and TABX 400206. The subject cars also have been marked by the Lessee as WAMX 400121 - 400127 (inclusive), WAMX 400129 - 400145 (inclusive), WAMX 400147 - 400150 (inclusive), WAMX 400153- 400173 (inclusive), WAMX 400175 - 400204 (inclusive), and WAMX 400206. Prior designations of the subject cars are identified in the transmittal letter and on Schedule I of the Memorandum of Lease

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Carpenter', written over a horizontal line.

Mark Carpenter  
Senior Vice President and Manager of Leasing

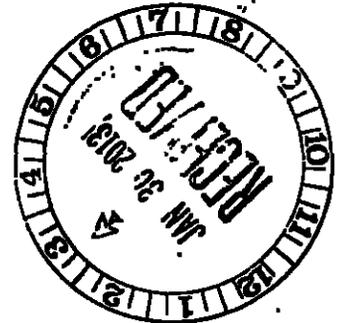
Enclosures



The names and addresses of the parties to the Participation Agreement are as follows.

Seller: Transportation Alliance Leasing LLC  
4185 Harrison Blvd. Suite 200  
Ogden, UT 84403-6400

Participant FJ Management Inc.  
1104 Country Hills Dr.  
Ogden, UT 84403



A description of the equipment covered by the document is as follows: 80 steel gondola rail cars, AAR Code J12, bearing the following car mark and numbers: TABX 400121 - 400127 (inclusive), TABX 400129 - 400145 (inclusive), TABX 400147 - 400150 (inclusive), TABX 400153-400173 (inclusive), TABX 400175 - 400204 (inclusive), and TABX 400206.

In addition, the Lessee has marked the subject rail cars as follows: WAMX 400121 - 400127 (inclusive), WAMX 400129 - 400145 (inclusive), WAMX 400147 - 400150 (inclusive), WAMX 400153- 400173 (inclusive), WAMX 400175 - 400204 (inclusive), and WAMX 400206

Prior to the TABX and WAMX designations, the following rail cars were previously designated with SOXX marks: SOXX 400121, SOXX 400123 - 400126 (inclusive), SOXX 400129, SOXX 400133, SOXX 400134, SOXX 400136, SOXX 400139 - 400145 (inclusive), SOXX 400147 - 400150 (inclusive), SOXX 400153 - 400156 (inclusive), SOXX 400158, SOXX 400160, SOXX 400163, SOXX 400167, SOXX 400169, SOXX 400173, SOXX 400175, SOXX 400177, SOXX 400179, SOXX 400182 - 400192, SOXX 400194 - SOXX 400203, and SOXX 400206.

Also, prior to the TABX, WAMX and SOXX marks, all the subject rail cars previously were designated with AIGX marks: AIGX 400121 - 400127 (inclusive), AIGX 400129 - 400145 (inclusive), AIGX 400147 - 400150 (inclusive), AIGX 400153- 400173 (inclusive), AIGX 400175 - 400204 (inclusive), and AIGX 400206

The subject rail cars are also set forth on Schedule 1 of the Memorandum of Lease, the primary document to which this filing is connected.

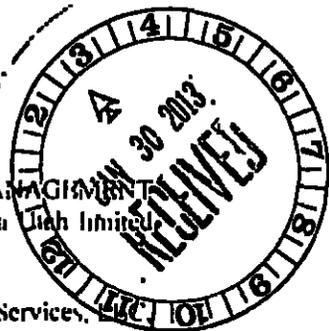
A fee of \$47<sup>2</sup> 00 is enclosed. Please return the original and any extra copies not needed by the Board for recordation to:



JAN 30 '13 -4 05 PM

**SURFACE TRANSPORTATION BOARD**

**PARTICIPATION AGREEMENT**  
(Railcar Lease - Residual)



This Agreement ("Agreement") is dated as of December 31, 2012, and made between FJ MANAGEMENT INC., a Utah corporation ("Participant"), and TRANSPORTATION ALLIANCE LEASING L.L.C., a Utah limited liability company ("Seller").

A. Seller entered into a Purchase Agreement, dated January 12, 2012, with Flagship Rail Services, pursuant to which Seller acquired eighty (80) ACF Industries, 1980-built, 4240 cubic-foot rotary steel gondolas, 263 GRL, AAR Code J12 ("Equipment"), as more specifically set forth in the applicable Bill of Sale, dated January 12, 2012, the Bill of Sale, dated February 3, 2012, the Bill of Sale dated on or about February 23, 2012, and the Bill of Sale, dated March 15, 2012 (collectively, together with all releases and other related documentation, the "Purchase Documents"), which are attached hereto as Exhibit A

B. Seller leased the Equipment to Wenco Companies, L.L.C., a Delaware limited liability company ("Lessee") pursuant to a Railcar Lease, dated January 9, 2012, and Schedule No. 01, Schedule No. 02, and Schedule No. 03 ("Lease") The terms and conditions of the Lease are all set forth on the Rail Lease and Schedules, the acceptance certificates, and other related agreements including documentation filed with the Surface Transportation Board (collectively, as amended, the "Lease Documents"), which are attached hereto as Exhibit B.

C. Lessee has certain end-of-term options in the Lease pertaining to the Equipment, as more particularly set forth in the Lease Documents. After the first eighteen (18) months of the Lease, Lessee may opt to renew for an initial term of eighteen (18) months, then a subsequent term for twelve (12) months, and then for a further term of an additional twelve (12) months, for a total of sixty (60) months (the "Renewal Options") If Lessee does not exercise any of its renewal options in accordance with the Lease, then Lessee has either the requirement or option to purchase the Equipment depending on the term (the "Purchase Options"). Lessee also has the option to return the Equipment at either forty-eight (48) months or sixty (60) months from the applicable Lease Commencement Date (the "Return Options")

D. Generally, Seller is restricted by Utah law from relying on the Purchase Options and Return Options (collectively, the "Residual") to recover financing costs, the original equipment investment, and a required profit in an amount that is greater than thirty percent (30%) of the acquisition cost of the Equipment, and the Residual booked by Seller represents approximately forty-seven (47%) of the acquisition cost of the Equipment

E. Seller desires to sell its residual position in the excess seventeen percent (17%) of the acquisition cost of the Equipment, which equates to an overall thirty-six percent (36%) interest in the Residual, to ensure compliance with Utah law Participant desires to purchase this interest with the understanding that repayment will be made from (i) the proceeds of Lessee's exercise of one of the Purchase Options, or (ii) in the event the Purchase Options are not exercised by Lessee, from the sale, lease, or other disposition of the Equipment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows.

1. Participation Subject to the terms and conditions of this Agreement, Seller hereby sells and transfers to the Participant, and the Participant hereby purchases and accepts from the Seller an undivided ownership interest in thirty-six percent (36%) of the Residual ("Participation") In exchange, Participant agrees to pay to Seller the amount of one-hundred and eighty-seven thousand, two-hundred and twenty-one dollars and sixty-five cents (\$187,221.65) ("Purchase Price") The Purchase Price shall be paid concurrent with the execution of this Agreement in immediately available funds in accordance with wire instruction to be provided by Seller

2. Accounting Seller shall deliver to the Participant annual (or, in a Lessee default, quarterly) reports reflecting the status of the Lessee's account with the Seller and such further information as reasonably requested by Participant. All reports and information furnished by Seller to Participant, whether written or verbal, are without

representation or warranty as to their truth or accuracy, and Seller is not responsible for verifying their authenticity.

3. Participation in all Benefits and Payments. Upon Participant's payment of the Purchase Price, said payment will, without further action by either of the parties hereto, consummate a sale and purchase of such Participation and confer on Participant a share in the Residual equal to the extent of its Participation and shall be afforded the same rights and benefits afforded to Seller with respect to the Residual under the provisions of the Lease Documents and a corresponding proportionate interest in all the Equipment owned by Seller by virtue of the Purchase Documents and in accordance with the Lease Documents.

4 Servicing, Collection and Expenses.

4.1 Servicing Seller shall, to the extent of the Participant's Participation, hold and retain in its own name, as agent for Participant, all of the obligations of Lessor under the Lease Documents. Seller shall service the Lease in accordance with its usual practices in the ordinary course of business and accept payment of the Lease from the Lessee, other third parties liable therefor, or any guarantor of the Lessee, in repayment of the Lease and Participation.

4.2 Administration Seller shall bear all costs and expenses of collection of the Lease, except that any out-of-pocket costs and expenses of collection incurred by reason of the employment or retention of outside agencies, collectors, trustees, or attorneys, including reasonable attorney fees and disbursements, court costs and other like amounts, shall be borne by Seller and Participant on a pro rata basis in accordance with their respective Participations in the Residual at the time such cost or expense was incurred. Seller will give Participant at least one week's notice before incurring any out-of-pocket costs, and the notice will include a general description of the costs expected to be incurred.

5. Collections, Disbursements to the Participant.

5.1 Interest Earned by the Participant After the purchase by Participant of the Participation, Participant shall earn interest on its Participation at the annual rate of nine percent (9%) ("Interest Rate").

5.2 Return to Seller and Participant. Provided good and full funds are paid by Lessee and received by Seller pursuant to one of the Purchase Options, Seller shall pay to Participant the Purchase Price, together with the accumulated interest thereon at the Interest Rate, on the date that Lessee exercises one of the Purchase Options. If Lessee does not exercise one of the Purchase Options or in the event that there is a Lessee default, loss, bankruptcy, or return of the Equipment pursuant to the Return Options, Seller will use commercially reasonable efforts to sell, lease, or dispose of the Equipment. If the sale, lease, or other disposition of the Equipment is insufficient to return the principle investment of Seller and Participant, then the proceeds of the Equipment shall be shared equally by Seller and Participant to the extent of their interest in the Residual.

5.3 Collections of Payments by Seller Seller has the exclusive right to collect all sums due from Lessee or any guarantors, third parties, or otherwise on account of the Lease, including rent, any and all Lease fees, late charges, buyout payments, and prepayment premiums (if any). Seller has no obligation to remit any funds to Participant if the funds are not collected by Seller.

6. Representations of Participant

6.1 Investigation Participant acknowledges that it has performed and will continue to perform its own credit analysis of the Lessee and guarantor (if any), and its own investigation of the risks involved in (i) the transactions contemplated by the Purchase Documents and Lease Documents, (ii) entering into this Agreement, and (iii) purchasing an interest in the Residual of the Lease hereunder. The Participant is not and will not rely on the Seller with respect thereto.

6.2 Review of Documents Participant acknowledges that it has reviewed and approved the form and substance of each of the Purchase Documents and Lease Documents.

6.3 No Reliance Participant acknowledges that Seller has not made and shall not at any time be deemed to make any representation or warranty, express or implied, with respect to: (i) legality, accuracy, completeness, validity, or enforceability of any of the Lease Documents or Purchase Documents, (ii) the financial condition or creditworthiness of the Lessee or any other entity which may have liability for the Lease, the collectibility of the Lease, or the continued solvency of the Lessee; or (iii) the validity, perfection, enforceability, value, or sufficiency of or title to any property for the Lease, including the Equipment, or the filing or recording or taking of any other actions with respect to the Lease Documents, Purchase Documents, or the Equipment.

7 Examination of Records Seller shall indicate in its records the Participant's Participation interest in the Residual. Participant may at any time, and from time to time, during business hours examine the books, records, and accounts of Seller relating to the Lease and other matters connected with the Lease Documents or herewith.

8 Enforcement. Seller may in its sole discretion administer the Lease and enforce the remedies provided in the Lease Documents, including: (i) giving or withholding waivers, consents, extensions, adjustments, compositions, or compromises under the Lease Documents, (ii) negotiating or communicating with Lessee in connection with the Renewal Options, Purchase Options, and Return Options, (iii) amending or refusing to amend the Lease Documents or other agreements relating thereto; (iv) declaring a Default (as defined in the Lease Documents), exercising or refraining from exercising remedies, or taking or refraining from taking action with respect to the Lease Documents or other agreements. Seller will, however, give Participant notice of any Default it declares under the Lease Documents. In addition, Seller will not, without the prior consent of Participant, (x) agree to any amendment or modification of any of the Lease Documents that would change the demand nature of the Residual or reduce the principal balance of, interest on, or fees payable with respect to the Residual, or (y) waive any Default relating to late payment, if such Default remains uncured for twenty (20) business days. If Seller requests Participant's written consent to the exercise of any rights set forth above, and does not receive such consent or a denial thereof in writing within five (5) days of the making of such request, Participant will be deemed to have given such consent.

9. Termination. If Participant refuses to agree to any of the matters set forth in Paragraph 8 above, then Seller may, at its option, at any time thereafter, purchase the Participation of the Participant in the Residual by paying to the Participant the Purchase Price, together with accumulated interest thereon at the Interest Rate, as of the purchase date. Upon payment of this amount, Participant shall have no further interest in the Lease or any of the Lease Documents. Participant shall have no direct rights to proceed against the Lessee.

10. Purchase of Participation. No amounts paid by the Participant to Seller for the purchase of the Participation shall be considered a loan of any kind or nature, by Participant to Seller, and the parties will look only to the Lessee and the Equipment for the repayment of the Lease, or other third parties liable therefore, or any guarantor of the Lessee.

11. Participation Not a Security Notwithstanding anything to the contrary contained herein, the parties expressly intend for and agree that the Participation evidenced by this Agreement is not a security pursuant to federal securities laws.

12. Assignment, Transfers

12.1 Acquiring for Own Account. Participant represents and agrees that it is acquiring the Participation for its own account for investment purposes, with no present intention of distributing or reselling all or any part thereof. Except to the extent set forth in Section 13.2 below, Participant will not sell, assign, transfer, mortgage, pledge, or otherwise dispose of any or all of its interest in the Lease, the Equipment, the Lease Documents, or this Agreement, without the prior written consent of Seller. Notwithstanding anything contained herein, no sale, assignment, transfer, mortgage, pledge, or other disposal will be made by Participant of its interest in the Lease or the Lease Documents that would violate the terms of any such documents, statutes of the State of Utah, or the United

States government, or any rules, regulations, or interpretations thereunder

12.2 **Permitted Sales** Either party has the right at any time and from time to time to sell all or any portion of its respective Participation to any parent, subsidiary, or affiliate of such party ("Permitted Transferee") upon ten (10) days prior written notice to the other party.

12.3 **Transfers** Seller may transfer its right to service and manage the Lease to a Permitted Transferee without Participant's consent. If Seller does so, then within thirty (30) days of the transfer, it will notify Participant of the name, address, and telephone number of the new servicer, the name of the person at the new servicer to contact about the Lease, and the date on which the transfer was effective. The new servicer will automatically succeed to all of Seller's rights and responsibilities under this Agreement with respect to servicing and managing the Lease. Seller will have no responsibility or liability for the acts or failures to act of the new servicer from the effective date of the transfer. If Seller desires to sell all or any portion of the Lease to a person that is not a Permitted Transferee, Seller shall give Participant ten (10) days prior written notice of the transfer.

13. **Additional Participants, Termination** At its sole and exclusive option, from time to time and at any time, Seller is entitled to (i) sell or grant additional participations in the Lease or Residual upon terms similar to this Agreement or otherwise, or (ii) pay to the Participant all principal and interest then owing to the Participant hereunder in respect of its Participation, thereby terminating this Agreement. Upon termination and request by Seller, Participant shall execute any and all releases, terminations, notices, or other instruments that may be necessary to terminate and release the Participant's interest in this Agreement, the Lease Documents, or the Equipment. Notwithstanding the foregoing, Seller has no obligation to repurchase the Participation of the Participant under any circumstance or in any event, and any repurchase by Seller is at the sole and exclusive option of Seller.

14. **Liability** Except as set forth herein, Seller does not assume liability for repayment of the Lease or Residual by Lessee or the realization or recovery of the Lease or Residual under the provisions of the Lease Documents.

15. **Successors and Assigns** This Agreement shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the parties hereto.

16. **Entire Agreement** This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter of this Agreement and can only be changed by a writing signed by both Seller and Participant. Any failure or delay to exercise any right hereunder will not constitute a waiver thereof or bar either party from exercising any of its rights hereunder at any time. This Agreement may be executed in counterparts each of which shall be deemed an original for all purposes and all of which constitute, collectively, one agreement.

17. **Governing Law, Disputes** The laws of the State of Utah, without giving effect to principles of conflict of laws, govern all matters arising under this Agreement. In the event any suit or proceeding is brought by any party to enforce the provisions of this Agreement, the prevailing party shall be entitled to recover its costs and reasonable attorney fees, whether such sums are expended with or without suit, at trial, arbitration, or on appeal.

18. **Validity and Enforceability** The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

19. **Participation Certificate** Seller will execute and issue a participation certificate to Participant in substantially the form attached hereto as **Exhibit C** (the "Participation Certificate") as evidence of the Participation more fully described herein.

20. **No Third Party Beneficiaries** This Agreement is made for the sole and exclusive benefit of Seller and Participant and is not intended to benefit any third party. No third party, including Lessee, may claim any right or benefit, or raise any defense based on, or seek to enforce any term or provision of this Agreement.

21 Disgorgement Notwithstanding anything contained in this Agreement to the contrary, to the extent that any proceeds paid to Seller or Participant are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by, or are required to be refunded, repaid, or otherwise restored to the Lessee, a trustee, receiver, or any other person under any law (including, without limitation, any bankruptcy law, state or federal law, common law or equitable cause), then to the extent of any such payment to Lessee or a third party, Seller or Participant (as applicable) shall pay the party required to restore the money to Lessee or such third party so that the money ultimately received by Participant and/or Seller is in proportion to the Participation after all applicable money has been restored to Lessee or such third party.

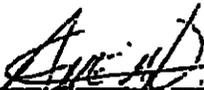
22. Construction In the event of an ambiguity in the interpretation of any provision of this Agreement, the parties agree that the ambiguity shall not be interpreted for or against any party upon grounds of authorship. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid to the greatest extent allowed under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, said provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

23 Representation of Signing Representative The representatives signing this Agreement on behalf of his or her respective party each represents and warrants that he or she has been duly authorized to execute and deliver this Agreement and that upon execution and delivery hereof by all parties hereto, this Agreement will be binding and enforceable in accordance with its terms against such party for whom such representative has signed.

[SIGNATURE PAGE FOLLOWS]

The parties hereto sign this Agreement as of the date first written above

**FJ MANAGEMENT INC.**

By:  (SEAL)  
Name: ANDRE M. CRUZ  
Title: VPO

Address:  
1104 Country Hills Dr., Ogden, Utah, 84403

**TRANSPORTATION ALLIANCE LEASING LLC**

By: Transportation Alliance Bank Inc, its sole member

By:  (SEAL)  
Name: D. Paul Hunter  
Title: CEO

Address:  
4185 Harrison Blvd., Suite 200, Ogden, Utah, 84403

[NOTARY PAGE FOLLOWS]

State of Utah  
County of Weber

On this 17<sup>th</sup> day of January, 2013, before me personally appeared Andre Melortz (name of signor), to me personally known, who being by me duly sworn, says that (s)he is the Treasurer (title of office) of FJ Management Inc, that the seal affixed to the foregoing instrument is intended to reflect the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation

(SEAL.)  
Marilyn Rasmussen  
Signature of Notary Public

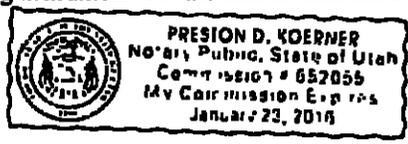


My Commission expires \_\_\_\_\_

State of Utah  
County of Weber County

On this 17<sup>th</sup> day of January, 2013, before me personally appeared Boyd Hunter (name of signor), to me personally known, who being by me duly sworn, says that (s)he is the CFO of TAB Bank, sdc member (title of office) of Transportation Alliance Leasing L.L.C, that the seal affixed to the foregoing instrument is intended to reflect the company seal of said company, that said instrument was signed and sealed on behalf of said company by authority of its management committee, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

(SEAL.)  
Presion D. Koerner  
Signature of Notary Public



My Commission expires Jan. 23, 2016

**EXHIBIT A**  
**PURCHASE DOCUMENTS**

# **PURCHASE AGREEMENT**

**Dated as of January 12, 2012**

**TRANSPORTATION ALLIANCE LEASING LLC,  
as Buyer**

**and**

**FLAGSHIP RAIL SERVICES, LLC,  
as Seller**

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## PURCHASE AGREEMENT

**THIS PURCHASE AGREEMENT**, dated as of January 12, 2012, is by and between **FLAGSHIP RAIL SERVICES, LLC** (the "Seller"), a Delaware limited liability company, with its principal place of business at 300 South Riverside Plaza, Suite 1925, Chicago, IL 60606 and **TRANSPORTATION ALLIANCE LEASING LLC** (the "Buyer"), a Utah limited liability company, with its principal place of business at 4185 Harrison Blvd. Suite 200, Ogden, UT 84403-6400. All capitalized terms used herein and not otherwise defined herein have the meanings ascribed to such terms in Article I hereof.

### RECITALS

**WHEREAS**, the Buyer desires to acquire from the Seller and the Seller desires to sell to the Buyer all of the Seller's right, title and interest in and to eighty (80) units of the Equipment upon the terms and subject to the conditions set forth in this Agreement

**NOW, THEREFORE**, in consideration of the mutual promises herein contained and other consideration, the receipt and sufficiency of which are hereby acknowledged, the Buyer and the Seller agree as follows

### ARTICLE I

#### DEFINITIONS

The following terms have the respective meanings set forth below whenever used in this Agreement (terms defined in the singular to have a correlative meaning when used in the plural and vice versa)

**"Agreement"**: this Purchase Agreement, including all Exhibits and Schedules hereto, as amended from time to time in accordance with its terms.

**"Applicable Law"**: all applicable laws of any Governmental Body, including, without limitation, federal, state and foreign securities laws, tax laws, ordinances, judgments, decrees, injunctions, writs and orders or like actions of any Governmental Body or rules, regulations, orders, interpretations, licenses and permits of any Governmental Body.

**"Bill of Sale"**: a Bill of Sale substantially in the form of Exhibit A attached to this Agreement.

**"Buyer"**: as defined in the introductory paragraph

**"Closing"**: means the Initial Closing or any Subsequent Closing, as the context requires.

**"Closing Date"**: means the Initial Closing Date or any Subsequent Closing Date, as the context requires

**"Delivery Location"**: means for any Relevant Equipment, any of (i) the facilities of Appalachian Rail Services located in Shelburn, IN, (ii) the facilities of FreightCar Rail Services located in Clinton, IN; or (iii) the facilities of Madison Railroad, CMPA located in Madison, IN.

**"Equipment"**: the equipment described in Schedule 1 to this Agreement together with each and every part, accessory, component and any equipment installed therein or attached thereto owned by the Seller on the Closing Date (individually each railcar is referred to as a "unit" or "unit of Equipment").

**"Governmental Body"** any federal, state, municipal, local or other governmental department, commission, board, bureau, agency, instrumentality, political subdivision or taxing authority of any country

**"Initial Closing"**: as defined in Section 2.4

**"Initial Closing Date"**: as defined in Section 2.4.

**"Lien"**: any mortgage, pledge, security interest, claim, encumbrance, lien, easement, servitude or charge of any kind.

**"Material"**: limiting or having the potential for limiting the ability of either the Seller or the Buyer, as the context may require, to realize in any respect the economic benefit of the transactions contemplated hereby.

**"Person"**: any natural person, corporation, company, association, partnership, joint venture, trust or estate, organization, business, government or agency or political subdivision thereof, or any other entity

**"Purchase Documents"**: the Agreement and each Bill of Sale.

**"Purchase Price"**: as set forth in Schedule 2.

**"Relevant Equipment"**: the units of Equipment sold by the Seller to Buyer at a Closing

**"Seller"**: as defined in the introductory paragraph

**"Subsequent Closing"**: as defined in Section 2.4.

**"Subsequent Closing Date"**: as defined in Section 2.4

**"Transfer Taxes"** as defined in Section 2.3(a).

## ARTICLE II

### TERMS OF THE TRANSACTION

**Section 2.1 Sale and Purchase of the Equipment.** Upon the terms and subject to the conditions of this Agreement, the Seller agrees to sell to the Buyer all of the Seller's right, title, and interest in and to a total of eighty (80) units of the Equipment. Consummation of this sale

shall occur on a Closing Date, provided that Buyer shall have no obligation to purchase any of the Equipment after February 28, 2012 (the "Deadline") Within five (5) Business Days of the Deadline, Buyer shall provide written notice to Seller of its decision to either (x) purchase all Equipment not delivered by the Deadline or (y) terminate this Agreement for all such undelivered Equipment If Buyer elects to purchase such undelivered Equipment, then this Agreement shall continue until all Equipment is delivered, but if Buyer elects to terminate this Agreement, then neither Buyer nor Seller shall have any further obligations with respect to the undelivered Equipment Seller and Buyer shall deliver this Agreement duly executed at the Initial Closing. At each Closing, subject to the terms and conditions precedent specified herein, (i) Buyer shall pay the Purchase Price for the Relevant Equipment and purchase the Relevant Equipment from Seller, and (ii) Seller shall execute the Bill of Sale for the Relevant Equipment

**Section 2.2 Purchase Price.** The aggregate Purchase Price for the Equipment is set forth in Schedule 2. For the avoidance of doubt, at each Closing, the Purchase Price for such Closing shall equal the per railcar Purchase Price set forth in Schedule 2 multiplied by the number of railcars comprising the Relevant Equipment subject to such Closing. The Purchase Price for each Closing shall be paid by wire transfer of immediately available funds to the Seller's account as follows:

Wells Fargo Bank  
ABA: 121000248  
Account #: 85517500  
Account Name: Flagship Asset Disposition

**Section 2.3 Taxes.**

(a) The Buyer shall be liable for (i) all taxes upon or with respect to the sale, use, transfer, or delivery of the Equipment pursuant to this Agreement or similar taxes however denominated, except for any taxes based upon or measured by Seller's income ("Transfer Taxes"), (ii) all other fees, charges, duties, assessments, taxes and penalties and interest thereon upon or with respect to the Equipment for the period on and after the relevant Closing Date and (iii) all filings related thereto, provided, that Buyer shall not be responsible for any such Transfer Taxes to the extent caused by Seller's gross negligence, willful misconduct or breach of its representations, warranties or covenants under the Purchase Documents.

(b) After the relevant Closing, the Seller and the Buyer agree to provide each other with such documents, instruments and certificates as either of Seller or Buyer may reasonably request in connection with the filing of any tax returns or any claim for exemption from the payment of any Transfer Taxes or other taxes or amounts for which it is obligated to make a filing or permitted to claim an exemption

**Section 2.4 The Closing** Each Closing shall take place as soon as possible after satisfaction or waiver of the conditions set forth in Sections 7 and 8 with respect to the Relevant Equipment, or at such other time as Buyer and Seller may agree (the first Closing, on which the 50 units specified in Schedule 1 shall be delivered, the "Initial Closing" and the date of the first Closing, the "Initial Closing Date") Seller and Buyer shall consummate a Closing as soon as possible thereafter with respect to the remaining Equipment (each such additional Closing, a

“Subsequent Closing” and the date of a Subsequent Closing, a “Subsequent Closing Date”), provided, however, the parties shall consummate the sale contemplated by this Agreement in the Initial Closing and three (3) Subsequent Closings or less.

**Section 2.5 Delivery.** Upon the Closing for any Equipment hereunder, delivery shall occur at a Delivery Location and risk of loss shall pass to Buyer at the Delivery Location. For the avoidance of doubt, all Equipment sold hereunder shall be FOB Delivery Location. Seller shall deliver the Relevant Equipment as soon as possible and, in any event, subject to Section 2.1, no later than February 28, 2012.

### ARTICLE III

#### ADDITIONAL AGREEMENTS

**Section 3.1 Further Assurances** From time to time after the relevant Closing, each party hereto will execute and deliver such instruments and documents as the other party hereto reasonably may request in order to carry out the purposes and intent of this Agreement.

### ARTICLE IV

#### REPRESENTATIONS AND WARRANTIES OF THE SELLER

The Seller represents and warrants to the Buyer as follows.

**Section 4.1 Organization and Authority; Binding Obligations.** The Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. The Seller has all necessary corporate power and authority to execute and deliver this Agreement and the other Purchase Documents to be executed and delivered by it, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. This Agreement and the other Purchase Agreements have been duly authorized by the Seller and at the Closing will be duly executed and delivered by the Seller. Upon execution and delivery by the Seller (and assuming execution and delivery by Buyer), the Purchase Agreements will constitute, valid and binding obligations of the Seller, enforceable against the Seller in accordance with their respective terms, subject, as to enforceability of remedies, to limitations imposed by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the enforcement of creditors' rights generally and to general principles of equity.

**Section 4.2 No-Violation; Consents** The execution and delivery by the Seller of the Purchase Documents and the consummation of the transactions contemplated hereby and thereby do not or will not, as the case may be, (i) violate any provision of the formation documents of the Seller, (ii) violate any provision of, or result in a breach of any of the terms or provisions of, or constitute a default under, any agreement, mortgage, lien, lease, instrument, order, arbitration award, judgment or decree to which the Seller is a party or to which the Seller is, or the assets, properties or business of the Seller are, subject that is Material or (iii) violate any Applicable Law that is Material. No consent, action, approval or authorization of, or registration, declaration or filing with, any Governmental Body or other third party is required to be obtained

by the Seller, the failure to obtain of which would be Material, to authorize the execution, delivery and the performance by Seller of the Purchase Documents, the performance by Seller of the terms hereof or thereof and the consummation by Seller of the transactions contemplated hereby.

**Section 4.3 Equipment** The Seller is the owner of the Equipment, and on the relevant Closing Date, the Relevant Equipment will be free and clear of all Liens.

**Section 4.4 Good Title**. Upon delivery to the Buyer of the Bill of Sale and the consummation of the transactions contemplated hereunder, the Buyer will acquire good title to the Equipment, free and clear of all Liens

**Section 4.5 No Material Litigation**. There are no pending or, to the Seller's knowledge, threatened suits or proceedings before any arbitrator or Governmental Body (i) which seek to restrain, enjoin or question, or which otherwise relate to, this Agreement or the consummation of the transactions contemplated hereby or (ii) which, if adversely determined, would impact the Seller's ability to consummate the transactions contemplated hereby in a Material way.

**Section 4.6 LIMITATION ON WARRANTIES**. THE EQUIPMENT IS BEING SOLD AND TRANSFERRED TO BUYER AND ACCEPTED BY BUYER HEREUNDER "AS-IS, WHERE-IS," WITH ALL FAULTS. EXCEPT AS EXPRESSLY SET FORTH IN ARTICLE IV, SELLER SHALL NOT BE DEEMED TO HAVE MADE AND SELLER DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, NOW OR HEREAFTER, AS TO THE CONDITION, DESIGN, OPERATION, MAINTENANCE, VALUE, MARKETABILITY, MERCHANTABILITY OR FITNESS FOR USE OR FOR A PARTICULAR PURPOSE OF THE EQUIPMENT OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE EQUIPMENT OR AS TO THE FREEDOM OF THE EQUIPMENT FROM ANY LATENT OR OTHER DEFECTS (WHETHER OR NOT DISCOVERABLE), AS TO THE INFRINGEMENT OF ANY PATENT, TRADEMARK OR COPYRIGHT, AS TO THE ABSENCE OF OBLIGATIONS BASED ON STRICT LIABILITY IN TORT, OR ANY OTHER REPRESENTATION OR WARRANTY, WHATSOEVER, EITHER EXPRESS OR IMPLIED WITH RESPECT TO THE EQUIPMENT AND ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, DEALING OR USAGE OF THE TRADE. Seller disclaims any liability to Buyer with respect to the condition of the Equipment, including, without limitation, any liability in tort or arising from negligence, strict liability or for loss or interruption of use, profit or business or other consequential injury, and Buyer waives, releases, renounces and disclaims expectation of or reliance upon any such warranty or warranties. Seller shall not be deemed to have made and disclaims any representation or warranty, express or implied, now or hereafter, as to (a) the characterization of the transactions contemplated hereby for legal, tax or accounting purposes, or (b) the content of any summary worksheet of Seller relating to the transactions contemplated hereby.

## ARTICLE V

### REPRESENTATIONS AND WARRANTIES OF THE BUYER

The Buyer represents and warrants to the Seller as follows.

**Section 5.1 Organization and Authority; Binding Obligation** The Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Utah. The Buyer has all necessary corporate power and authority to execute and deliver this Agreement and the other Purchase Documents to be executed and delivered by it, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. This Agreement has been duly authorized, executed and delivered by the Buyer. Upon the execution and delivery by Buyer (and assuming execution and delivery by Seller), this Agreement constitutes the valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms, subject, as to enforceability of remedies, to limitations imposed by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the enforcement of creditors' rights generally and to general principles of equity.

**Section 5.2 Acquisition of the Equipment**. The Buyer is purchasing the Equipment for its own account and not with a present view to, or for sale in connection with, any distribution of the Equipment in violation of the Securities Act of 1933, as amended.

**Section 5.3 Non-Contravention; Consents** The execution and delivery by the Buyer of this Agreement does not, and the consummation of the transactions contemplated hereby will not, (i) violate any provision of the certificate of incorporation or bylaws of the Buyer, (ii) violate any provision of, or result in a breach of any of the terms or provisions of, or result in the acceleration of the terms or provisions of, or result in the acceleration of any obligation under, or constitute a default under, any agreement, mortgage, lien, lease, instrument, order, arbitration award, judgment or decree to which the Buyer is, or the assets, properties or business of the Buyer are, subject, that is Material or (iii) violate any Applicable Law that is Material. No consent, action, approval or authorization of, or registration, declaration or filing with, any Governmental Body or other third party is required to be obtained by the Buyer to authorize the execution and delivery by the Buyer of this Agreement, the performance by the Buyer of the terms hereof and the consummation by Buyer of the transactions contemplated hereby.

**Section 5.4 No Material Litigation**. There are no pending or, to the Buyer's knowledge, threatened suits or proceedings before any court, arbitrator or other Governmental Body which (i) seek to restrain, enjoin or question, or which otherwise relate to, this Agreement or the consummation of the transactions contemplated hereby or (ii) which, if adversely determined, would impact the Buyer in a Material way.

## ARTICLE VI

### INDEMNIFICATION

**Section 6.1 Indemnification of the Buyer.** The Seller agrees to indemnify, defend and hold harmless on an after-tax basis the Buyer from and against any and all losses, claims, damages, liabilities, costs and expenses (including reasonable attorneys' fees incurred investigating or defending the same) to the extent the same are based upon or arise out of (i) the breach of any representation or warranty of the Seller contained herein or (ii) the failure of the Seller to perform or observe any obligation, covenant or other provision contained herein or in any of the other Purchase Documents.

**Section 6.2 Indemnification of the Seller.** The Buyer agrees to indemnify, defend and hold harmless on an after-tax basis, the Seller from and against any and all losses, claims, damages, liabilities, costs and expenses (including reasonable attorneys' fees incurred investigating or defending the same) to the extent the same are based upon or arise out of (i) the breach of any representation or warranty of the Buyer contained herein or (ii) the failure of the Buyer to perform or observe any obligation, indemnity, covenant or other provision contained herein or in any of the other Purchase Documents.

**Section 6.3 Notice.** A party seeking indemnification pursuant to this Article V (an "Indemnified Party") shall give prompt written notice together with a copy of such claim, process or other legal pleading to the party from whom such indemnification is sought (the "Indemnifying Party") of the assertion of any claim, or the commencement of any action, suit or proceeding, in respect of which indemnity may be sought hereunder and will give the Indemnifying Party such information with respect thereto as the Indemnifying Party may reasonably request, but no failure to give such notice shall relieve the Indemnifying Party of any liability hereunder (except to the extent the Indemnifying Party suffers actual prejudice thereby) Upon written request by the Indemnifying Party, the Indemnified Party shall take appropriate action to contest the claim. The Indemnifying Party may, at its expense, participate in or assume the defense of any such action, suit or proceeding involving a third party. The Indemnified Party and the Indemnifying Party shall in all other respects use commercially reasonable efforts to cooperate with each other to mitigate the cost of any indemnifiable claim or proceeding and to settle the same promptly in a mutually satisfactory manner.

## ARTICLE VII

### CONDITIONS TO THE BUYER'S OBLIGATIONS

The obligations of the Buyer to purchase the Equipment pursuant to this Agreement shall be subject to the satisfaction by the relevant Closing Date of the following conditions (any of which may be waived, in whole or in part, by the Buyer)

**Section 7.1 Representations, Warranties and Covenants** The representations and warranties of the Seller contained in this Agreement or any other Purchase Document shall be true in all Material respects. The Seller shall have duly performed and complied with all agreements and conditions required by this Agreement to be performed or complied with

**Section 7.2 Purchase Documents.** The Purchase Documents with respect to the Relevant Equipment shall have been duly authorized, executed and delivered by the Seller.

**Section 7.3 Legal Matters Satisfactory.** The form and substance of all documents to be delivered by the Seller to the Buyer at the Closing, shall have been approved by and be satisfactory to the Buyer.

**Section 7.4 No Litigation** No action, suit, proceeding or investigation shall be pending or, to the knowledge of the Buyer or the Seller, threatened before any court or other Governmental Body (i) challenging the transactions contemplated by this Agreement or otherwise seeking to restrain or prevent the consummation of the transactions contemplated by this Agreement or (ii) which, if adversely determined, would impact the Buyer in a Material way.

**Section 7.5 Inspection.** Buyer shall not inspect the Equipment that is to be delivered as part of the Initial Closing, such Equipment being specified as part of the Initial Closing on Schedule I hereto. For each Subsequent Closing, Buyer's purchase is subject to Buyer's sole satisfaction with the condition of the Equipment, as determined by any inspection Buyer has performed prior to the applicable Subsequent Closing Date. Three (3) Business Days prior to each Subsequent Closing Date, Seller shall notify Buyer of the Equipment which is available for inspection and ready for delivery on such Subsequent Closing Date.

## ARTICLE VIII

### CONDITIONS TO SELLER'S OBLIGATIONS

The obligation of the Seller to sell the Equipment to the Buyer pursuant to this Agreement shall be subject to the satisfaction by the relevant Closing Date of the following conditions (any of which may be waived, in whole or in part, by the Seller)

**Section 8.1 Representations, Warranties and Covenants.** The representations and warranties of the Buyer contained in this Agreement or in any other Purchase Documents shall be true in all Material respects. The Buyer shall have duly performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it.

**Section 8.2 Purchase Documents.** The Purchase Documents with respect to the Relevant Equipment to which the Buyer is a party shall have been duly authorized, executed and delivered by the Buyer

**Section 8.3 Legal Matters Satisfactory** The form and substance of all documents to be delivered by the Buyer to the Seller at the Closing, shall have been approved by and be satisfactory to the Seller

**Section 8.4 No Litigation** No action, suit, proceeding or investigation shall be pending or, to the knowledge of the Buyer or the Seller, threatened before any court or other Governmental Body (i) challenging the transactions contemplated by this Agreement or otherwise seeking to restrain or prevent the consummation of the transactions contemplated by this Agreement or (ii) which, if adversely determined, would impact the Seller in a Material way.

**Section 8.5 Purchase Price.** The Buyer shall have paid the aggregate Purchase Price in accordance with Section 2.2.

## ARTICLE IX

### MISCELLANEOUS

**Section 9.1 Expenses** All legal, accounting, appraisal, inspection, financial, advisory and other costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and the transactions contemplated hereby shall be paid by the party incurring it. The Buyer shall pay the fees and expenses, if any, of Surface Transportation Board counsel and Registrar General of Canada counsel, in connection with the transactions contemplated hereby. If a dispute arises under this Agreement, the non-prevailing party shall pay the prevailing party's court costs, if any, and attorneys' fees and expenses.

**Section 9.2 Governing Law.** This Agreement and the Bill of Sale shall be governed by, and construed and enforced in accordance with the laws of the State of Illinois.

**Section 9.3 WAIVER OF JURY TRIAL.** EACH OF THE PARTIES HEREBY WAIVES THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THE PURCHASE DOCUMENTS. EACH OF THE PARTIES ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP THAT EACH HAS RELIED ON THE WAIVER IN ENTERING INTO THE PURCHASE DOCUMENTS AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. EACH OF THE PARTIES WARRANTS AND REPRESENTS THAT EACH HAS HAD THE OPPORTUNITY OF REVIEWING THIS JURY WAIVER WITH LEGAL COUNSEL AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS.

**Section 9.4 Notices.** All notices, consents, requests, instructions, approvals and other communications provided for herein shall be deemed validly given, made or served in writing and delivered personally (as of such delivery) or sent by certified mail (as of three days after receipt deposit in a United States Post Office), postage prepaid, or by facsimile transmission to:

(i) If to the Seller, address to:

Flagship Rail Services, LLC  
300 South Riverside Plaza, Suite 1925  
Chicago, IL 60606  
Attention: Tim Milazzo  
Telephone: (312) 559-4800  
Telecopy: (312) 559-4829

(ii) If to the Buyer, address to:

TRANSPORTATION ALLIANCE LEASING LLC  
4185 Harrison Blvd STE. 200

Ogden, Utah 84403  
Attention: Stephen S. Parker  
Telephone: (801) 624-4840  
Facsimile: (801) 395-8652

or such other address as shall be furnished in writing by any party to the other

**Section 9.5 Assignment, Amendments, Waivers** The Seller shall not assign any of its rights or obligations hereunder without the prior written consent of the Buyer. No provision of this Agreement may be amended, modified or waived except by written agreement duly executed by each of the parties.

**Section 9.6 Entire Agreement**. This Agreement (together with the exhibits and schedules hereto) and the Bills of Sale represent the entire agreement between the parties and supersede and cancel any prior oral or written agreement, letter of intent or understanding related to the subject matter hereof or thereof. In the event of any conflict between the terms of this Agreement and any of the terms of the Bills of Sale, the terms of this Agreement shall prevail and control.

**Section 9.7 Binding Agreement** This Agreement and the Bill of Sale shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. No Person other than the Seller and the Buyer and their respective successors and permitted assigns shall acquire any rights whatsoever by reason of this Agreement and the Bill of Sale, whether as third party beneficiary or otherwise.

**Section 9.8 Counterparts**. This Agreement may be executed in several counterparts and such counterparts may be delivered by facsimile, and each agreement so executed shall constitute one agreement, binding on both the parties thereto, even though both parties are not signatory to the original or the same counterpart. Any counterpart of this Agreement that has attached to it separate signature pages, which altogether contain the signatures of both of the parties hereto, shall for all purposes be deemed a fully executed instrument. Each party agrees that it will be bound by its own telecopied signatures and that it accepts the telecopied signatures of the other party.

**Section 9.9 Knowledge Convention**. Whenever any statement herein or in any schedule, exhibit, certificate or other document delivered to any party pursuant to this Agreement is made "to the knowledge" or "to the best knowledge" of any Person (or words of similar intent or effect), such statement shall be made to the actual knowledge of such Person, if an individual, or, if an entity, to the actual knowledge of the officer of such entity with responsibility in respect of the matter in question. In all cases, a Person shall be deemed to have actual knowledge of all information of which such Person has received written notice.

**Section 9.10 Severability**. Wherever possible each provision of this Agreement and the Bill of Sale shall be interpreted in such manner as to be effective and valid under Applicable Law, but if any such provision shall be prohibited by or invalid under Applicable Law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of the agreement.

**Section 9.11 Marks Management.** Buyer shall be responsible, at its sole cost and expense, for removing the Seller's marks from the Relevant Equipment ("re-mark") as soon as practicable on or after the applicable Closing Date. Buyer desires that Seller ("Manager") perform certain administrative services in respect of such units until the units are re-marked; provided, that Buyer shall remain obligated to re-mark all Relevant Equipment as soon as practicable and shall notify Seller immediately upon re-marking each such unit

Manager provides the administrative services with the understanding that (A) Buyer will pay Manager an administrative services fee equal to the sum of Thirty Dollars (\$30) per unit per calendar month following the applicable Closing Date until in the case of each unit, such unit is re-marked ("Re-mark Date") Buyer will reimburse Manager for any out-of-pocket costs and administrative services, if any, incurred by Manager in connection with such units from the applicable Closing Date, and (B) as between Buyer and Manager, from the applicable Closing Date, Buyer will retain all risk associated with the use, possession, storage, operation, condition, repair, maintenance, mandatory modifications, replacement and disposition of such units. Notwithstanding the foregoing, Buyer shall pay the administrative services fee commencing March 1, 2012 for all units which have not been re-marked by such date.

While Manager's services will be rendered in good faith and in accordance with industry standards, Manager does not warrant or guarantee its services will be error-free.

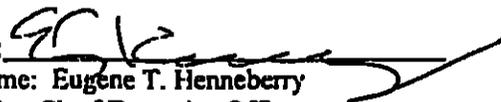
Buyer will indemnify and hold Manager harmless in connection with any liability, claim, action or demand associated with any accident, personal injury (including death), and property or environmental damage resulting from or arising out of the use, possession, storage, operation, condition, repair, maintenance, mandatory modification, replacement or disposition of the cars being managed by Manager from the applicable Closing Date, provided that, Buyer shall not indemnify Manager for Manager's gross negligence, willful misconduct or breach of this Section.

*[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]*

[Purchase Agreement]

**IN WITNESS WHEREOF**, this Agreement has been duly executed by the parties hereto on the date and year first above written.

**FLAGSHIP RAIL SERVICES, LLC**

By:   
Name: Eugene T. Henneberry  
Title: Chief Executive Officer

**TRANSPORTATION ALLIANCE  
LEASING LLC**

By: \_\_\_\_\_  
Name:  
Title:

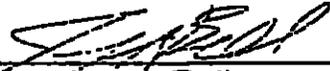
[Purchase Agreement]

**IN WITNESS WHEREOF**, this Agreement has been duly executed by the parties hereto on the date and year first above written.

**FLAGSHIP RAIL SERVICES, LLC**

By: \_\_\_\_\_  
Name: Eugene T. Henneberry  
Title: Chief Executive Officer

**TRANSPORTATION ALLIANCE  
LEASING LLC**

By:  \_\_\_\_\_  
Name: Jeff Bell  
Title: Manager

**SCHEDULE 1**  
**TO PURCHASE AGREEMENT**  
**LIST OF EQUIPMENT**

Description: Eighty-four (84), ACF Industries, 1980 built, 4,240 cubic foot rotary Steel Gondolas, 263 GRL, AAR Code J12

Current Road and Reporting Numbers: SOXX 400121 thru 400206 (inclusive), excepting AIGX 400151 and AIGX 400174, as follows

1	SOXX	400121	29	SOXX	400149	57	SOXX	400179
2	AIGX	400122	30	SOXX	400150	58	AIGX	400180
3	SOXX	400123	31	AIGX	400152	59	AIGX	400181
4	SOXX	400124	32	SOXX	400153	60	SOXX	400182
5	SOXX	400125	33	SOXX	400154	61	SOXX	400183
6	SOXX	400126	34	SOXX	400155	62	SOXX	400184
7	AIGX	400127	35	SOXX	400156	63	SOXX	400185
8	AIGX	400128	36	AIGX	400157	64	SOXX	400186
9	SOXX	400129	37	SOXX	400158	65	SOXX	400187
10	AIGX	400130	38	AIGX	400159	66	SOXX	400188
11	AIGX	400131	39	SOXX	400160	67	SOXX	400189
12	AIGX	400132	40	AIGX	400161	68	SOXX	400190
13	SOXX	400133	41	AIGX	400162	69	SOXX	400191
14	SOXX	400134	42	SOXX	400163	70	SOXX	400192
15	AIGX	400135	43	AIGX	400164	71	AIGX	400193
16	SOXX	400136	44	AIGX	400165	72	SOXX	400194
17	AIGX	400137	45	AIGX	400166	73	SOXX	400195
18	AIGX	400138	46	SOXX	400167	74	SOXX	400196
19	SOXX	400139	47	AIGX	400168	75	SOXX	400197
20	SOXX	400140	48	SOXX	400169	76	SOXX	400198
21	SOXX	400141	49	AIGX	400170	77	SOXX	400199
22	SOXX	400142	50	AIGX	400171	78	SOXX	400200
23	SOXX	400143	51	AIGX	400172	79	SOXX	400201
24	SOXX	400144	52	SOXX	400173	80	SOXX	400202
25	SOXX	400145	53	SOXX	400175	81	SOXX	400203
26	AIGX	400146	54	AIGX	400176	82	AIGX	400204
27	SOXX	400147	55	SOXX	400177	83	AIGX	400205
28	SOXX	400148	56	AIGX	400178	84	SOXX	400206

Previous Road and Reporting Numbers: AIGX 400121 thru 400206 (inclusive), excepting AIGX 400151 and AIGX 400174

**SCHEDULE 2  
TO PURCHASE AGREEMENT  
PURCHASE PRICE**

**Purchase Price: \$1,600,000 in aggregate or \$20,000.00 per railcar**

**EXHIBIT A**  
**FORM OF BILL OF SALE**

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, FLAGSHIP RAIL SERVICES, LLC ("Seller"), does hereby sell, transfer and assign to TRANSPORTATION ALLIANCE LEASING, LLC ("Buyer") all of Seller's rights, title and interest in and to the equipment described in Schedule 1 hereto, free and clear of all liens as defined in the terms and conditions of the Purchase Agreement, dated as of January \_\_, 2012, between Seller and Buyer (the "Purchase Agreement"). Capitalized terms used herein without definitions shall have the meanings given such terms in the Purchase Agreement.

THE EQUIPMENT IS BEING SOLD AND TRANSFERRED TO BUYER AND ACCEPTED BY BUYER HEREUNDER "AS-IS, WHERE-IS," WITH ALL FAULTS EXCEPT AS EXPRESSLY SET FORTH IN ARTICLE IV, SELLER SHALL NOT BE DEEMED TO HAVE MADE AND SELLER DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, NOW OR HEREAFTER, AS TO THE CONDITION, DESIGN, OPERATION, MAINTENANCE, VALUE, MARKETABILITY, MERCHANTABILITY OR FITNESS FOR USE OR FOR A PARTICULAR PURPOSE OF THE EQUIPMENT OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE EQUIPMENT OR AS TO THE FREEDOM OF THE EQUIPMENT FROM ANY LATENT OR OTHER DEFECTS (WHETHER OR NOT DISCOVERABLE), AS TO THE INFRINGEMENT OF ANY PATENT, TRADEMARK OR COPYRIGHT, AS TO THE ABSENCE OF OBLIGATIONS BASED ON STRICT LIABILITY IN TORT, OR ANY OTHER REPRESENTATION OR WARRANTY, WHATSOEVER, EITHER EXPRESS OR IMPLIED WITH RESPECT TO THE EQUIPMENT AND ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, DEALING OR USAGE OF THE TRADE. Seller disclaims any liability to Buyer with respect to the condition of the Equipment, including, without limitation, any liability in tort or arising from negligence, strict liability or for loss or interruption of use, profit or business or other consequential injury, and Buyer waives, releases, renounces and disclaims expectation of or reliance upon any such warranty or warranties. Seller shall not be deemed to have made and disclaims any representation or warranty, express or implied, now or hereafter, as to (a) the characterization of the transactions contemplated hereby for legal, tax or accounting purposes, or (b) the content of any summary worksheet of Seller relating to the transactions contemplated hereby.

**FLAGSHIP RAIL SERVICES, LLC**

By. \_\_\_\_\_  
Name:  
Title:  
Date.

**SCHEDULE 1  
TO BILL OF SALE  
(LIST OF EQUIPMENT)**

**[TO BE DETERMINED AT EACH RELEVANT CLOSING DATE]**

**NOTICE OF  
LEASE TERMINATION**

This Notice of Lease Termination effective as of January 10, 2012 by Flagship Rail Services, LLC (formerly known as AJO Rail Services, Inc.), a Delaware limited liability company (the "Lessor").

**WITNESSETH:**

Lessor and CSX Transportation, Inc., a Virginia corporation (the "Lessee") are parties to that certain Master Railcar Lease, dated as of June 2, 2008, whereby Lessor agreed to lease to the Lessee and the Lessee agreed to lease from Lessor certain railroad cars pursuant to Schedule No. 1 to Master Railcar Lease, dated June 4, 2008 (the "Lease Agreement").

A Memorandum of Lease Agreement was filed with the Surface Transportation Board on June 4, 2008 at 2:00 p.m. under Recordation Number 27518 and a notice of change of reporting marks and road numbers was filed with the Surface Transportation Board on January 21, 2010 at 8:00 a.m. under Recordation Number 27518-A.

Notice is hereby given that the Lease Agreement is terminated with respect to the railroad cars listed on Exhibit A hereto.

This Notice of Lease Termination shall not impair nor terminate any of the rights and obligations of the parties under the Lease Agreement which, by their terms, expressly survive its termination.

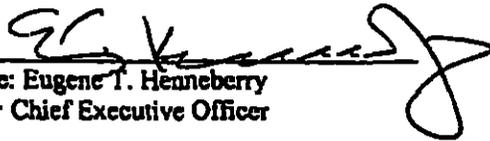
[Signature Page Follows]

[Notice of Lease Termination]

IN WITNESS WHEREOF, the undersigned has caused this memorandum to be duly executed by its officer duly authorized as of the date hereof.

*I certify that I hold the title set forth below, that this instrument was signed on behalf of the Lessor by authority of its Authorized Person and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the Lessor. I further declare under penalty of perjury that the foregoing is true and correct.*

FLAGSHIP RAIL SERVICES, LLC

By:   
Name: Eugene T. Henneberry  
Title: Chief Executive Officer

[Notice of Lease Termination]

EXHIBIT A

Eighty-Six (86) rotary coupled steel gondola "coalveyors" with 4240 cubic capacity built by ACF Industries in 1981, AAR car type code J312 and bearing the following road marks and numbers:

<u>Reporting Marks and Road Numbers as Previously Filed</u>	<u>New Reporting Marks and Road Numbers</u>
WPSX 101	AIGX 400121
WPSX 102	AIGX 400122
WPSX 103	AIGX 400123
WPSX 104	AIGX 400124
WPSX 105	AIGX 400125
WPSX 106	AIGX 400126
WPSX 108	AIGX 400127
WPSX 109	AIGX 400128
WPSX 110	AIGX 400129
WPSX 111	AIGX 400130
WPSX 114	AIGX 400131
WPSX 115	AIGX 400132
WPSX 116	AIGX 400133
WPSX 118	AIGX 400134
WPSX 120	AIGX 400135
WPSX 122	AIGX 400136
WPSX 123	AIGX 400137
WPSX 124	AIGX 400138
WPSX 127	AIGX 400139
WPSX 129	AIGX 400140
WPSX 130	AIGX 400141
WPSX 132	AIGX 400142
WPSX 133	AIGX 400143
WPSX 134	AIGX 400144
WPSX 136	AIGX 400145
WPSX 138	AIGX 400146
WPSX 139	AIGX 400147
WPSX 141	AIGX 400148
WPSX 142	AIGX 400149
WPSX 143	AIGX 400150
WPSX 144	AIGX 400151
WPSX 145	AIGX 400152
WPSX 146	AIGX 400153
WPSX 148	AIGX 400154
WPSX 150	AIGX 400155
WPSX 151	AIGX 400156
WPSX 152	AIGX 400157
WPSX 153	AIGX 400158
WPSX 154	AIGX 400159

<b>Reporting Marks and Road Numbers as Previously Filed</b>	<b>New Reporting Marks and Road Numbers</b>
WPSX 157	AIGX 400160
WPSX 158	AIGX 400161
WPSX 159	AIGX 400162
WPSX 160	AIGX 400163
WPSX 161	AIGX 400164
WPSX 162	AIGX 400165
WPSX 163	AIGX 400166
WPSX 164	AIGX 400167
WPSX 165	AIGX 400168
WPSX 166	AIGX 400169
WPSX 167	AIGX 400170
WPSX 168	AIGX 400171
WPSX 169	AIGX 400172
WPSX 171	AIGX 400173
WPSX 172	AIGX 400174
WPSX 173	AIGX 400175
WPSX 174	AIGX 400176
WPSX 175	AIGX 400177
WPSX 176	AIGX 400178
WPSX 177	AIGX 400179
WPSX 178	AIGX 400180
WPSX 180	AIGX 400181
WPSX 181	AIGX 400182
WPSX 182	AIGX 400183
WPSX 183	AIGX 400184
WPSX 184	AIGX 400185
WPSX 185	AIGX 400186
WPSX 186	AIGX 400187
WPSX 187	AIGX 400188
WPSX 188	AIGX 400189
WPSX 190	AIGX 400190
WPSX 192	AIGX 400191
WPSX 193	AIGX 400192
WPSX 194	AIGX 400193
WPSX 195	AIGX 400194
WPSX 196	AIGX 400195
WPSX 197	AIGX 400196
WPSX 199	AIGX 400197
WPSX 201	AIGX 400198
WPSX 202	AIGX 400199
WPSX 203	AIGX 400200
WPSX 205	AIGX 400201
WPSX 206	AIGX 400202
WPSX 207	AIGX 400203

<u>Reporting Marks and Road Numbers as Previously Filed</u>	<u>New Reporting Marks and Road Numbers</u>
WPSX 208	AKGX 400204
WPSX 209	AKGX 400205
WPSX 210	AKGX 400206

VEDDER PRICE

VEDDER PRICE P.C.  
222 NORTH LASALLE STREET  
CHICAGO, ILLINOIS 60601  
312 609 7500  
FAX 312 609-5005

ROBERT C. HAMILTON  
PARALEGAL  
312 609 7878  
rhAMILTON@vedderprice.com

CHICAGO - NEW YORK CITY - WASHINGTON D.C. - ROSELAND, NJ

January 13, 2012

**BY FEDEX**

Dale Leishman  
Transportation Alliance Bank  
4185 South Harrison Blvd  
Ogden, UT 84403

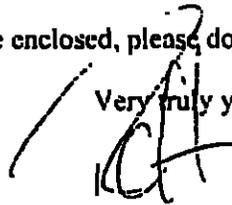
Re: **Flagship/Transportation Alliance Leasing**

Dear Dale:

Enclosed please find the original Purchase Agreement and Bill of Sale in connection with the above-captioned transaction.

If you have any questions concerning the enclosed, please do not hesitate to contact me.

Very truly yours,



Robert C Hamilton  
Paralegal

cc. Jeff Wilkison

CHICAGO#2261717 6

## **BILL OF SALE**

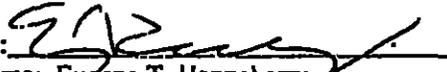
For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, FLAGSHIP RAIL SERVICES, LLC ("Seller"), does hereby sell, transfer and assign to TRANSPORTATION ALLIANCE LEASING, LLC ("Buyer") all of Seller's rights, title and interest in and to the equipment described in Schedule 1 hereto, free and clear of all Liens as defined in the terms and conditions of the Purchase Agreement, dated as of January 12, 2012, between Seller and Buyer (the "Purchase Agreement"). Capitalized terms used herein without definitions shall have the meanings given such terms in the Purchase Agreement.

THE EQUIPMENT IS BEING SOLD AND TRANSFERRED TO BUYER AND ACCEPTED BY BUYER HEREUNDER "AS-IS, WHERE-IS," WITH ALL FAULTS. EXCEPT AS EXPRESSLY SET FORTH IN ARTICLE IV, SELLER SHALL NOT BE DEEMED TO HAVE MADE AND SELLER DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, NOW OR HEREAFTER, AS TO THE CONDITION, DESIGN, OPERATION, MAINTENANCE, VALUE, MARKETABILITY, MERCHANTABILITY OR FITNESS FOR USE OR FOR A PARTICULAR PURPOSE OF THE EQUIPMENT OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE EQUIPMENT OR AS TO THE FREEDOM OF THE EQUIPMENT FROM ANY LATENT OR OTHER DEFECTS (WHETHER OR NOT DISCOVERABLE), AS TO THE INFRINGEMENT OF ANY PATENT, TRADEMARK OR COPYRIGHT, AS TO THE ABSENCE OF OBLIGATIONS BASED ON STRICT LIABILITY IN TORT, OR ANY OTHER REPRESENTATION OR WARRANTY, WHATSOEVER, EITHER EXPRESS OR IMPLIED WITH RESPECT TO THE EQUIPMENT AND ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, DEALING OR USAGE OF THE TRADE. Seller disclaims any liability to Buyer with respect to the condition of the Equipment, including, without limitation, any liability in tort or arising from negligence, strict liability or for loss or interruption of use, profit or business or other consequential injury, and Buyer waives, releases, renounces and disclaims expectation of or reliance upon any such warranty or warranties. Seller shall not be deemed to have made and disclaims any representation or warranty, express or implied, now or hereafter, as to (a) the characterization of the transactions contemplated hereby for legal, tax or accounting purposes, or (b) the content of any summary worksheet of Seller relating to the transactions contemplated hereby

[Signature Page Follows]

[Bill of Sale]

**FLAGSHIP RAIL SERVICES, LLC**

By:   
Name: Eugene T. Henneberry  
Title: Chief Executive Officer  
Date: January 12, 2012

**SCHEDULE 1  
TO BILL OF SALE  
(LIST OF EQUIPMENT)**

- |                 |                 |
|-----------------|-----------------|
| 1. SOXX 400136  | 26 SOXX 400187  |
| 2. SOXX 400156  | 27. SOXX 400190 |
| 3. SOXX 400163  | 28. SOXX 400191 |
| 4. SOXX 400183  | 29. SOXX 400198 |
| 5. SOXX 400188  | 30. SOXX 400206 |
| 6. SOXX 400192  | 31 SOXX 400121  |
| 7. SOXX 400195  | 32. SOXX 400123 |
| 8 SOXX 400196   | 33. SOXX 400124 |
| 9 SOXX 400199   | 34 SOXX 400126  |
| 10 SOXX 400201  | 35 SOXX 400129  |
| 11. SOXX 400125 | 36. SOXX 400142 |
| 12. SOXX 400133 | 37. SOXX 400143 |
| 13. SOXX 400134 | 38. SOXX 400150 |
| 14 SOXX 400140  | 39 SOXX 400154  |
| 15. SOXX 400145 | 40. SOXX 400155 |
| 16. SOXX 400147 | 41. SOXX 400167 |
| 17 SOXX 400148  | 42. SOXX 400169 |
| 18. SOXX 400149 | 43. SOXX 400175 |
| 19. SOXX 400153 | 44 SOXX 400185  |
| 20. SOXX 400158 | 45 SOXX 400186  |
| 21. SOXX 400160 | 46 SOXX 400194  |
| 22. SOXX 400177 | 47. SOXX 400197 |
| 23. SOXX 400179 | 48. SOXX 400200 |
| 24. SOXX 400182 | 49 SOXX 400202  |
| 25. SOXX 400184 | 50 SOXX 400203  |

IN WITNESS WHEREOF, each of the parties hereto has caused this Memorandum to be executed by their duly authorized officers as of the date first written above.

Transportation Alliance Leasing, LLC

Flagship Rail Services, LLC

By: [Signature]

By: [Signature]

Name: JEFF H BELL

Name: EUGENE HENNEBERKY

Title: Pres./Mgr

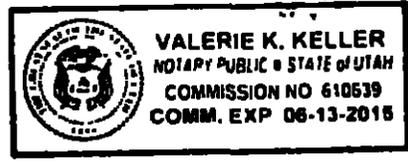
Title: CEO

State of UTAH )

County of WEBER )  
SS

On this 9<sup>th</sup> day of FEBRUARY, 2012 before me personally appeared (name of signor), to me personally known, who being by me duly sworn, says that (s)he is the (title of office) of Transportation Alliance Leasing LLC, that the seal affixed to the foregoing instrument is the company seal of said company, that said instrument was signed and sealed on behalf of said company by authority of its Management Committee, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

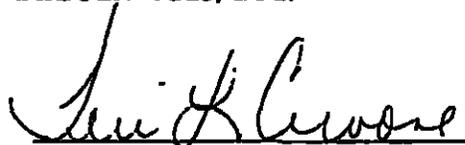
(SEAL)  
Valerie K. Keller  
Signature of Notary Public



My Commission expires 06-13-2015

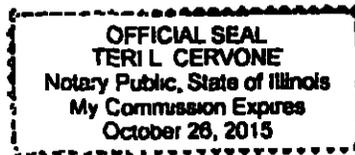
State of Illinois            )  
  )    ss  
County of Cook            )

The foregoing Memorandum was acknowledged before me, the undersigned Notary Public, this 3<sup>rd</sup> day of February, 2012, by Eugene T Hennecberry, as Chief Executive Officer of FLAGSHIP RAIL SERVICES, LLC.



Notary Public

My commission expires: 10/26/2015



## **PARTIAL RELEASE OF SECURITY INTEREST**

**This PARTIAL RELEASE OF SECURITY INTEREST ("Partial Release") dated January \_\_, 2012 by WELLS FARGO CAPITAL FINANCE, LLC, in its capacity as Collateral Agent for the Protected Parties (in such capacity, together with its successors and assigns, the "Collateral Agent") under the Security Agreement, dated as of May 11, 2011 (as supplemented from time to time, the "Security Agreement"), among the Collateral Agent, Flagship Rail Services, LLC (formerly known as AIG Rail Services, Inc.), as a borrower, and the other parties named therein, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, does hereby partially terminate, release and discharge the security interests held by it insofar as the same encumber the Railcar Collateral related to the Pledged Lease as identified on Schedule A attached hereto (the "Released Equipment") and subject to the Memoranda of Security Agreement (as defined below). All capitalized terms not defined herein are as defined in the Security Agreement.**

**Such security interests were granted pursuant to that certain Memorandum of Security Agreement, which was recorded with the Surface Transportation Board on May 11, 2011 at 12:40 p.m., under Recordation No. 29771, and with the Registrar General of Canada on May 11, 2011 at 1:03 p.m. (hereafter, collectively referred to as the "Memoranda of Security Agreement").**

**This Partial Release is executed upon the express condition that nothing herein contained shall be construed to release from the lien of the Security Agreement and Memoranda of Security Agreement or to impair said lien upon any property subject thereto except the Released Equipment.**

**[Signature Page Follows]**



## SCHEDULE A

Lease 1318-002 CSX Transportation  
STB Recordation No. 27518

- |                 |                 |
|-----------------|-----------------|
| 1. AIGX 400136  | 26. AIGX 400187 |
| 2. AIGX 400156  | 27. AIGX 400190 |
| 3. AIGX 400163  | 28. AIGX 400191 |
| 4. AIGX 400183  | 29. AIGX 400198 |
| 5. AIGX 400188  | 30. AIGX 400206 |
| 6. AIGX 400192  | 31. AIGX 400121 |
| 7. AIGX 400195  | 32. AIGX 400123 |
| 8. AIGX 400196  | 33. AIGX 400124 |
| 9. AIGX 400199  | 34. AIGX 400126 |
| 10. AIGX 400201 | 35. AIGX 400129 |
| 11. AIGX 400125 | 36. AIGX 400142 |
| 12. AIGX 400133 | 37. AIGX 400143 |
| 13. AIGX 400134 | 38. AIGX 400150 |
| 14. AIGX 400140 | 39. AIGX 400154 |
| 15. AIGX 400145 | 40. AIGX 400155 |
| 16. AIGX 400147 | 41. AIGX 400167 |
| 17. AIGX 400148 | 42. AIGX 400169 |
| 18. AIGX 400149 | 43. AIGX 400175 |
| 19. AIGX 400153 | 44. AIGX 400185 |
| 20. AIGX 400158 | 45. AIGX 400186 |
| 21. AIGX 400160 | 46. AIGX 400194 |
| 22. AIGX 400177 | 47. AIGX 400197 |
| 23. AIGX 400179 | 48. AIGX 400200 |
| 24. AIGX 400182 | 49. AIGX 400202 |
| 25. AIGX 400184 | 50. AIGX 400203 |

VEDDER PRICE

VEDDER PRICE P.C.  
222 NORTH LASALLE STREET  
CHICAGO, ILLINOIS 60601  
312 600 7500  
FAX: 312 808-5005

ROBERT C. HAMILTON  
PARALEGAL  
312 600 7829  
rhamilton@vedderprice.com

CHICAGO • NEW YORK CITY • WASHINGTON, D.C. • ROSELAND, NJ

February 6, 2012

**BY FEDEX**

Dale Leishman  
Transportation Alliance Bank  
4185 South Harrison Blvd  
Ogden, UT 84403

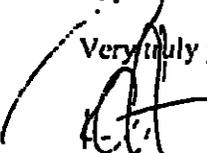
Re: **Flagship/Transportation Alliance Leasing/Second Closing**

Dear Dale:

Enclosed please find the original and notarized Bill of Sale in connection with the above-captioned transaction. Also enclosed is an original and notarized Memorandum of Purchase signature page from Flagship

If you have any questions concerning the enclosed, please do not hesitate to contact me.

Very truly yours,

  
Robert C. Hamilton  
Paralegal

## **BILL OF SALE**

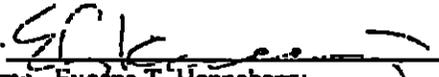
For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, FLAGSHIP RAIL SERVICES, LLC ("Seller"), does hereby sell, transfer and assign to TRANSPORTATION ALLIACE LEASING, LLC ("Buyer") all of Seller's rights, title and interest in and to the equipment described in Schedule 1 hereto, free and clear of all Liens as defined in the terms and conditions of the Purchase Agreement, dated as of January 12, 2012, between Seller and Buyer (the "Purchase Agreement"). Capitalized terms used herein without definitions shall have the meanings given such terms in the Purchase Agreement

THE EQUIPMENT IS BEING SOLD AND TRANSFERRED TO BUYER AND ACCEPTED BY BUYER HEREUNDER "AS-IS, WHERE-IS." WITH ALL FAULTS EXCEPT AS EXPRESSLY SET FORTH IN ARTICLE IV, SELLER SHALL NOT BE DEEMED TO HAVE MADE AND SELLER DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, NOW OR HEREAFTER, AS TO THE CONDITION, DESIGN, OPERATION, MAINTENANCE, VALUE, MARKETABILITY, MERCHANTABILITY OR FITNESS FOR USE OR FOR A PARTICULAR PURPOSE OF THE EQUIPMENT OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE EQUIPMENT OR AS TO THE FREEDOM OF THE EQUIPMENT FROM ANY LATENT OR OTHER DEFECTS (WHETHER OR NOT DISCOVERABLE), AS TO THE INFRINGEMENT OF ANY PATENT, TRADEMARK OR COPYRIGHT, AS TO THE ABSENCE OF OBLIGATIONS BASED ON STRICT LIABILITY IN TORT, OR ANY OTHER REPRESENTATION OR WARRANTY, WHATSOEVER, EITHER EXPRESS OR IMPLIED WITH RESPECT TO THE EQUIPMENT AND ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, DEALING OR USAGE OF THE TRADE. Seller disclaims any liability to Buyer with respect to the condition of the Equipment, including, without limitation, any liability in tort or arising from negligence, strict liability or for loss or interruption of use, profit or business or other consequential injury, and Buyer waves, releases, renounces and disclaims expectation of or reliance upon any such warranty or warranties. Seller shall not be deemed to have made and disclaims any representation or warranty, express or implied, now or hereafter, as to (a) the characterization of the transactions contemplated hereby for legal, tax or accounting purposes, or (b) the content of any summary worksheet of Seller relating to the transactions contemplated hereby.

[Signature Page Follows]

[Bill of Sale]

**FLAGSHIP RAIL SERVICES, LLC**

By:   
Name: Eugene T. Henneberry  
Title: Chief Executive Officer  
Dated: February 3, 2022

State of Illinois            )  
  )    ss  
County of Cook            )

The foregoing Bill of Sale was acknowledged before me, the undersigned Notary Public, this 3rd day of February, 2012, by Eugene T. Henneberry, as Chief Executive Officer of FLAGSHIP RAIL SERVICES, LLC



My commission expires: 10/26/2015

**SCHEDULE 1  
TO BILL OF SALE**

**(LIST OF EQUIPMENT)**

1. AIGX 400127
2. AIGX 400131
3. AIGX 400132
4. AIGX 400135
5. AIGX 400137
6. AIGX 400164
7. AIGX 400171
8. AIGX 400176
9. AIGX 400178
10. AIGX 400180
11. SOXX 400139, Formerly registered as AIGX 400139
12. SOXX 400141, Formerly registered as AIGX 400141
13. SOXX 400144, Formerly registered as AIGX 400144
14. SOXX 400173, Formerly registered as AIGX 400173
15. SOXX 400189, Formerly registered as AIGX 400189

## **PARTIAL RELEASE OF SECURITY INTEREST**

This **PARTIAL RELEASE OF SECURITY INTEREST** ("**Partial Release**") dated February \_\_, 2012 by **WELLS FARGO CAPITAL FINANCE, LLC**, in its capacity as Collateral Agent for the Protected Parties (in such capacity, together with its successors and assigns, the "**Collateral Agent**") under the Security Agreement, dated as of May 11, 2011 (as supplemented from time to time, the "**Security Agreement**"), among the Collateral Agent, Flagship Rail Services, LLC (formerly known as **AIG Rail Services, Inc.**), as a borrower, and the other parties named therein, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, does hereby partially terminate, release and discharge the security interests held by it insofar as the same encumber the Railcar Collateral related to the Pledged Lease as identified on Schedule A attached hereto (the "**Released Equipment**") and subject to the Memoranda of Security Agreement (as defined below). All capitalized terms not defined herein are as defined in the Security Agreement.

Such security interests were granted pursuant to that certain Memorandum of Security Agreement, which was recorded with the Surface Transportation Board on May 11, 2011 at 12:40 p.m., under Recordation No. 29771, and with the Registrar General of Canada on May 11, 2011 at 1:03 p.m. (hereafter, collectively referred to as the "**Memoranda of Security Agreement**")

This Partial Release is executed upon the express condition that nothing herein contained shall be construed to release from the lien of the Security Agreement and Memoranda of Security Agreement or to impair said lien upon any property subject thereto except the Released Equipment.

[Signature Page Follows]



## **SCHEDULE A**

**Lease 1318-002 CSX Transportation  
STB Recordation No 27518**

- 1. AIGX 400127**
- 2. AIGX 400131**
- 3. AIGX 400132**
- 4. AIGX 400135**
- 5. AIGX 400137**
- 6. AIGX 400164**
- 7. AIGX 400171**
- 8. AIGX 400176**
- 9. AIGX 400178**
- 10. AIGX 400180**
- 11. AIGX 400139**
- 12. AIGX 400141**
- 13. AIGX 400144**
- 14. AIGX 400173**
- 15. AIGX 400189**

# VEDDERPRICE

VEDDERPRICE PC  
222 NORTH LASALLE STREET  
CHICAGO, ILLINOIS 60601  
312-808 7500  
FAX: 312-808 5005

ROBERT C HAMILTON  
PARALEGAL  
312 808 7828  
rhamilton@vedderprice.com

CHICAGO • NEW YORK CITY • WASHINGTON, D C • ROSELAND, NJ

February 28, 2012

## **BY FEDEX**

Candice Reynolds  
Transportation Alliance Bank, Inc.  
4185 Harrison Blvd., Ste. 200  
Ogden, UT 84403

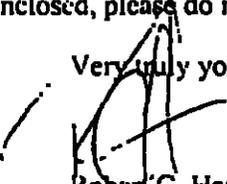
Re: **Flagship/Transportation Alliance Leasing/Third Closing**

Dear Candice.

Enclosed please find the original and notarized Bill of Sale in connection with the above-captioned transaction

If you have any questions concerning the enclosed, please do not hesitate to contact me

Very truly yours,

  
Robert C. Hamilton  
Paralegal

## **BILL OF SALE**

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **FLAGSHIP RAIL SERVICES, LLC** ("Seller"), does hereby sell, transfer and assign to **TRANSPORTATION ALLIANCE LEASING, LLC** ("Buyer") all of Seller's rights, title and interest in and to the equipment described in Schedule 1 hereto, free and clear of all Liens as defined in the terms and conditions of the Purchase Agreement, dated as of January 12, 2012, between Seller and Buyer (the "Purchase Agreement"). Capitalized terms used herein without definitions shall have the meanings given such terms in the Purchase Agreement.

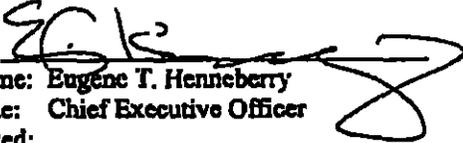
THE EQUIPMENT IS BEING SOLD AND TRANSFERRED TO BUYER AND ACCEPTED BY BUYER HEREUNDER "AS-IS, WHERE-IS," WITH ALL FAULTS. EXCEPT AS EXPRESSLY SET FORTH IN ARTICLE IV, SELLER SHALL NOT BE DEEMED TO HAVE MADE AND SELLER DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, NOW OR HEREAFTER, AS TO THE CONDITION, DESIGN, OPERATION, MAINTENANCE, VALUE, MARKETABILITY, MERCHANTABILITY OR FITNESS FOR USE OR FOR A PARTICULAR PURPOSE OF THE EQUIPMENT OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE EQUIPMENT OR AS TO THE FREEDOM OF THE EQUIPMENT FROM ANY LATENT OR OTHER DEFECTS (WHETHER OR NOT DISCOVERABLE), AS TO THE INFRINGEMENT OF ANY PATENT, TRADEMARK OR COPYRIGHT, AS TO THE ABSENCE OF OBLIGATIONS BASED ON STRICT LIABILITY IN TORT, OR ANY OTHER REPRESENTATION OR WARRANTY, WHATSOEVER, EITHER EXPRESS OR IMPLIED WITH RESPECT TO THE EQUIPMENT AND ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, DEALING OR USAGE OF THE TRADE

Seller disclaims any liability to Buyer with respect to the condition of the Equipment, including, without limitation, any liability in tort or arising from negligence, strict liability or for loss or interruption of use, profit or business or other consequential injury, and Buyer waives, releases, renounces and disclaims expectation of or reliance upon any such warranty or warranties. Seller shall not be deemed to have made and disclaims any representation or warranty, express or implied, now or hereafter, as to (a) the characterization of the transactions contemplated hereby for legal, tax or accounting purposes, or (b) the content of any summary worksheet of Seller relating to the transactions contemplated hereby.

[Signature Page Follows]

[Bill of Sale]

**FLAGSHIP RAIL SERVICES, LLC**

By:   
Name: Eugene T. Henneberry  
Title: Chief Executive Officer  
Dated:

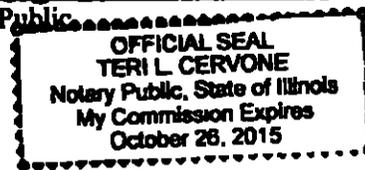
State of Illinois            )  
  )    ss  
County of Cook            )

The foregoing Bill of Sale was acknowledged before me, the undersigned Notary Public, this 23<sup>rd</sup> day of February, 2012, by Eugene T. Henneberry, as Chief Executive Officer of FLAGSHIP RAIL SERVICES, LLC.



Notary Public

My commission expires 10/26/15



**SCHEDULE 1  
TO BILL OF SALE  
(LIST OF EQUIPMENT)**

1. AIGX 400122
2. AIGX 400130
3. AIGX 400138
4. AIGX 400157
5. AIGX 400159
6. AIGX 400161
7. AIGX 400162
8. AIGX 400166
9. AIGX 400168
10. AIGX 400170
11. AIGX 400172
12. AIGX 400181
13. AIGX 400193
14. AIGX 400204

## **PARTIAL RELEASE OF SECURITY INTEREST**

This **PARTIAL RELEASE OF SECURITY INTEREST** ("**Partial Release**") dated February \_\_, 2012 by **WELLS FARGO CAPITAL FINANCE, LLC**, in its capacity as **Collateral Agent** for the **Protected Parties** (in such capacity, together with its successors and assigns, the "**Collateral Agent**") under the **Security Agreement**, dated as of May 11, 2011 (as supplemented from time to time, the "**Security Agreement**"), among the **Collateral Agent**, **Flagship Rail Services, LLC** (formerly known as **AIG Rail Services, Inc.**), as a borrower, and the other parties named therein, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, does hereby partially terminate, release and discharge the security interests held by it insofar as the same encumber the **Railcar Collateral** related to the **Pledged Lease** as identified on **Schedule A** attached hereto (the "**Released Equipment**") and subject to the **Memoranda of Security Agreement** (as defined below) All capitalized terms not defined herein are as defined in the **Security Agreement**.

Such security interests were granted pursuant to that certain **Memorandum of Security Agreement**, which was recorded with the **Surface Transportation Board** on May 11, 2011 at 12:40 p.m., under **Recordation No. 29771**, and with the **Registrar General of Canada** on May 11, 2011 at 1:03 p.m (hereafter, collectively referred to as the "**Memoranda of Security Agreement**")

This **Partial Release** is executed upon the express condition that nothing herein contained shall be construed to release from the lien of the **Security Agreement** and **Memoranda of Security Agreement** or to impair said lien upon any property subject thereto except the **Released Equipment**

[Signature Page Follows]



## **SCHEDULE A**

**Lease 1318-002 CSX Transportation  
STB Recordation No. 27518**

- 1 AIGX 400122**
- 2. AIGX 400130**
- 3. AIGX 400138**
- 4. AIGX 400157**
- 5. AIGX 400159**
- 6. AIGX 400161**
- 7. AIGX 400162**
- 8 AIGX 400166**
- 9. AIGX 400168**
- 10 AIGX 400170**
- 11. AIGX 400172**
- 12. AIGX 400181**
- 13. AIGX 400193**
- 14. AIGX 400204**

# VEDDERPRICE

VEDDERPRICE PC  
222 NORTH LASALLE STREET  
CHICAGO, ILLINOIS 60601  
312 609 7500  
FAX 312 609 5005

ROBERT C HAMILTON  
PARALEGAL  
312 609 7829  
rhamilton@vedderprice.com

CHICAGO • NEW YORK CITY • WASHINGTON, D C • ROSLAND NJ

March 15, 2012

## **BY FEDEX**

Candice Reynolds  
Transportation Alliance Bank, Inc.  
4185 Harrison Blvd , Ste 200  
Ogden, UT 84403

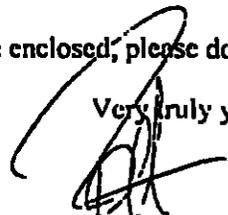
Re: **Flagship/Transportation Alliance Leasing/Forth Closing**

Dear Candice.

Enclosed please find the original and notarized Bill of Sale in connection with the above-captioned transaction

If you have any questions concerning the enclosed, please do not hesitate to contact me

Very truly yours,



Robert C Hamilton  
Paralegal

### **BIII. OF SALE**

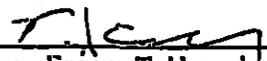
For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, FLAGSHIP RAIL SERVICES, LLC ("Seller"), does hereby sell, transfer and assign to TRANSPORTATION ALLIANCE LEASING, LLC ("Buyer") all of Seller's rights, title and interest in and to the equipment described in Schedule 1 hereto, free and clear of all Liens as defined in the terms and conditions of the Purchase Agreement, dated as of January 12, 2012, between Seller and Buyer (the "Purchase Agreement"). Capitalized terms used herein without definitions shall have the meanings given such terms in the Purchase Agreement

THE EQUIPMENT IS BEING SOLD AND TRANSFERRED TO BUYER AND ACCEPTED BY BUYER HEREUNDER "AS-IS, WHERE-IS," WITH ALL FAULTS EXCEPT AS EXPRESSLY SET FORTH IN ARTICLE IV. SELLER SHALL NOT BE DEEMED TO HAVE MADE AND SELLER DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, NOW OR HEREAFTER, AS TO THE CONDITION, DESIGN, OPERATION, MAINTENANCE, VALUE, MARKETABILITY, MERCHANTABILITY OR FITNESS FOR USE OR FOR A PARTICULAR PURPOSE OF THE EQUIPMENT OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE EQUIPMENT OR AS TO THE FREEDOM OF THE EQUIPMENT FROM ANY LATENT OR OTHER DEFECTS (WHETHER OR NOT DISCOVERABLE), AS TO THE INFRINGEMENT OF ANY PATENT, TRADEMARK OR COPYRIGHT, AS TO THE ABSENCE OF OBLIGATIONS BASED ON STRICT LIABILITY IN TORT, OR ANY OTHER REPRESENTATION OR WARRANTY, WHATSOEVER, EITHER EXPRESS OR IMPLIED WITH RESPECT TO THE EQUIPMENT AND ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, DEALING OR USAGE OF THE TRADE. Seller disclaims any liability to Buyer with respect to the condition of the Equipment, including, without limitation, any liability in tort or arising from negligence, strict liability or for loss or interruption of use, profit or business or other consequential injury, and Buyer waives, releases, renounces and disclaims expectation of or reliance upon any such warranty or warranties. Seller shall not be deemed to have made and disclaims any representation or warranty, express or implied, now or hereafter, as to (a) the characterization of the transactions contemplated hereby for legal, tax or accounting purposes, or (b) the content of any summary worksheet of Seller relating to the transactions contemplated hereby.

[Signature Page Follows]

[Bill of Sale]

**FLAGSHIP RAIL SERVICES, LLC**

By:   
Name: Eugene T Henneberry  
Title: Chief Executive Officer  
Dated: March 15, 2012



**SCHEDULE 1  
TO BILL OF SALE  
(LIST OF EQUIPMENT)**

**AIGX 400165**

## PARTIAL RELEASE OF SECURITY INTEREST

This PARTIAL RELEASE OF SECURITY INTEREST ("Partial Release") dated March \_\_, 2012 by WELLS FARGO CAPITAL FINANCE, LLC, in its capacity as Collateral Agent for the Protected Parties (in such capacity, together with its successors and assigns, the "Collateral Agent") under the Security Agreement, dated as of May 11, 2011 (as supplemented from time to time, the "Security Agreement"), among the Collateral Agent, Flagship Rail Services, LLC (formerly known as AIG Rail Services, Inc ), as a borrower, and the other parties named therein, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, does hereby partially terminate, release and discharge the security interests held by it insofar as the same encumber the Railcar Collateral related to the Pledged Lease as identified on Schedule A attached hereto (the "Released Equipment") and subject to the Memoranda of Security Agreement (as defined below) All capitalized terms not defined herein are as defined in the Security Agreement

Such security interests were granted pursuant to that certain Memorandum of Security Agreement, which was recorded with the Surface Transportation Board on May 11, 2011 at 12:40 p.m., under Recordation No. 29771, and with the Registrar General of Canada on May 11, 2011 at 1:03 p.m. (hereafter, collectively referred to as the "Memoranda of Security Agreement")

This Partial Release is executed upon the express condition that nothing herein contained shall be construed to release from the lien of the Security Agreement and Memoranda of Security Agreement or to impair said lien upon any property subject thereto except the Released Equipment.

[Signature Page Follows]



**SCHEDULE A**

**Lease 1318-002 CSX Transportation  
STB Recordation No. 27518**

**AIGX 400165**

**EXHIBIT B**  
**LEASE DOCUMENTS**

# RAILCAR LEASE

This Lease Agreement ("*Agreement*") is dated for reference purposes only as of January 9, 2011, by and between TRANSPORTATION ALLIANCE LEASING LLC, a Utah limited liability company ("*Lessor*"), and WATCO COMPANIES, L.L.C., a Delaware limited liability company ("*Lessee*") The date of the Agreement shall be the date that the last party to sign has executed the document.

## 1. SCOPE OF AGREEMENT

A. Agreement to Lease. Lessor and Lessee agree to lease eighty (80) of all the railroad cars described in the schedule(s) (the "*Cars*") "*Schedule*" means any schedule signed by both Lessor and Lessee. "*Agreement*" shall include this document together with all signed Schedules. Each executed Schedule shall be deemed to constitute a part and portion of Exhibit B attached hereto (whether or not physically attached) and shall be deemed for all purposes to constitute an enforceable portion of this Agreement.

B. Schedules Control The terms of any Schedule shall control as to Cars on such schedule, over any inconsistent terms elsewhere in this Agreement.

## 2. TERM AND DELIVERY

This Agreement shall remain in full force until terminated as to all Cars on all Schedules. The lease term with respect to any Car shall commence on the date as set forth on the Schedule, and shall expire on the Expiration Date defined on the applicable Schedule.

## 3. SPECIFICATIONS, TRANSPORTATION EXPENSES, REPLACEMENT AND SUBSCRIPTION

A. Specifications. Car specifications and marks shall be as set forth on the applicable Schedule.

B. Transportation Expenses. Lessee shall be liable for all expenses and charges for transportation or movement of any Car leased to Lessee

C. Replacement. Lessor may, at its option and at its expense, replace any or all Cars with equipment of similar specification and quality upon not less than ten (10) days prior written notice

## 4. ACCEPTANCE

In conjunction with the delivery of each Car, Lessee shall provide Lessor a certificate (the "*Certificate*") acknowledging the delivery to and acceptance by Lessee of each Car. If, however, Lessee fails to deliver such Certificate, then after the Delivery Date of the Final Car on any Schedule, Lessor may, at its option, provide Lessee a Certificate setting forth the Delivery Date of each Car and the Expiration

Date. Each date on each Certificate delivered by Lessor shall be deemed accurate, final and binding unless Lessee disputes such date in writing within fourteen (14) calendar days of receipt by Lessee of such Certificate. Each car shall be deemed thereby accepted.

#### 5. MOVEMENT TO LESSEE'S DELIVERY POINT

Each Car shall be moved to Lessee's designated delivery point (the "*Delivery Point*") at the earliest time that is consistent with the convenience and economy of the parties. Unless otherwise specified, such movement shall be at the Lessee's expense.

#### 6. MAINTENANCE

A. Definition of Maintenance. "*Maintenance*" means all repairs, maintenance, replacement of parts and mandated modifications as are needed to keep any Car in good working order and repair, suitable for loading and interchange and in accordance with the Interchange Rules, the Federal Railroad Administration ("*FRA*") rules and the rules of any other applicable regulatory body.

B. Definition of Interchange Rules. "*Interchange Rule*" means collectively the Field Manual of the AAR Interchange Rules and the Office Manual of the AAR Interchange Rules. Reference herein to the Interchange Rules provides performance standards and criteria for the condition of the Cars and their maintenance and repair. However, as between Lessor and Lessee, this Agreement, not the Interchange Rules, governs who is responsible for performing and paying for the maintenance and repairs.

C. Maintenance by Lessee. Lessee at its expense shall cause Maintenance to be performed in a timely manner. Lessor shall have title to any non-severable replacement parts or additions applied to any Car.

#### 7. MODIFICATIONS

A. Consent to Modifications. Lessee will not modify or alter the physical structure of any Car without Lessor's prior written consent; provided, however that no such approved modification shall relieve Lessee of its maintenance obligations. In the event Lessee makes any such modifications, and notwithstanding any Lessor consent thereto, Lessee shall indemnify and hold Lessor and its subsidiaries and affiliates, and their respective officers, directors, employees, agents, representatives, contractors and subcontractors (each such Person being called an "*Indemnitee*") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee, or asserted against any Indemnitee by any third party, arising out of, in connection with, or as a result of such modifications.

B. Required Modifications. If any equipment or appliance on any Car is required to be changed or replaced, or any additional equipment or appliance is required to be installed on any Car, or any Car is required to be modified or altered, in each case in order to comply with applicable law, regulation, requirement or rule (a "*Modification*"), Lessor may elect to either (i) terminate this agreement, effective as of the date on which such modification is required to be made, or (ii) make such Modification, pay the cost thereof, and increase the monthly compensation. The amount of such compensation increase shall be an amount that will recover the Lessor's cost of capital at a rate equal to the greater of \_\_\_% or 4% over the swap rate ("*Swap Rate*") closest in term to the remaining term of the Car's Schedule. For purposes of this section, the Swap Rate will be the rate indicated on the Federal Reserve Statistical Release H 15 (<http://www.federalreserve.gov/releases/h15/cp.htm>) as of the date such modification is completed. If Lessor elects to terminate this Agreement, Lessee may void such termination by paying Lessor the full cost of such Modification and such Modification and all components thereof shall be considered to be accessions to the Car and title thereto shall be immediately vested in Lessor.

## 8. RECORD KEEPING

The party ("*Record Keeper*") designated on the applicable Schedule shall prepare and file and is hereby authorized to and shall receive and maintain all records and perform all necessary and customary record keeping functions ("*Record Keeping*") relating to the use of the Cars. This shall include but not be limited to (i) registration of the Cars in the Official Railway Equipment Register and "UMLER" placing ownership marks as provided in the UMLER ownership field, (ii) collection and receipt of revenue, if any, and (iii) compilation of records pertaining to maintenance, repair and billing in accordance with the Interchange Rules and UMLER format. All Record Keeping shall be performed separately with respect to each set of reporting marks and shall be maintained in a form suitable for reasonable inspection by the other party from time to time during regular business hours.

## 9. INSURANCE

A. Lessee's Insurance Obligation. Lessee shall at its expense carry and maintain on the Cars (i) all risk physical loss and damage insurance in an amount acceptable to Lessor as set forth on the applicable Schedule and (ii) public liability insurance. Liability insurance limits shall be ten million dollars (\$10,000,000), or such other limit as set forth on the applicable schedule, and shall be written by Insurance Carriers rated at least "AA" by A. M. Best and Company. The policies shall name Lessor, its successors and assigns, and/or such other party as may be designated by any thereof to Lessee, in writing, as additional insureds and as loss payees. Lessee's policies shall be primary to any other insurance carried by or for the additional insureds. Any and all deductible amounts in Lessee's policies shall be paid by Lessee in the event of loss.

B. Certificates of Insurance. Lessee shall furnish to Lessor certificates of insurance from Lessee's insurer or broker confirming the above insurance upon execution hereof, within thirty (30) days of a written request from the Lessor.

## 10. TAXES

Unless otherwise designated on an applicable Schedule, Lessee shall pay all federal, state and local property taxes assessed against or levied upon the Cars and shall promptly reimburse Lessor for any such taxes paid by Lessor. Lessee may contest such taxes in appropriate proceedings, provided that Lessee first obtains a bond or establishes an escrow in form and content satisfactory to Lessor ensuring the payment of such taxes, together with all interest, fees and assessments related thereto. Lessor shall, at Lessee's expense, cooperate with any such contest provided that such contest and/or cooperation does not damage or materially negatively affect the Lessor's legal and/or beneficial interests in the Cars. Lessee shall forward to Lessor, upon receipt, copies of all correspondence, notifications and bills with respect to such property taxes. Upon Lessor's reasonable notification, Lessee will provide Lessor with a draft of Lessee's property tax return before it is filed. Lessee shall be liable for all other taxes or governmental impositions with respect to the Cars. Without limitation such other taxes shall be deemed to include sales and use taxes.

## 11. RENT

Lessee shall pay Lessor rent as set forth in each applicable Schedule. Lessee's obligations under this Agreement and any applicable Schedule, including its obligation to pay rent for any Car, are unconditional and irrevocable under any and all circumstances whatsoever. Unless the applicable Schedule otherwise provides, all rental payments are due, in advance, on the first of each month. Any payment of rent not received within the time limit described in Section 14 A (i) of this Agreement shall be subject to a late fee of 5% of the amount owed.

## 12. CASUALTY CARS

In the event any Car is lost, stolen, destroyed or damaged beyond economic repair or is requisitioned or taken by a governmental authority (any such event being an "Event of Loss"), Lessee shall, within five (5) days of its knowledge thereof, by written notice, fully advise Lessor of such Event of Loss. On the Rent payment date next succeeding the date Lessee notified Lessor of the Event of Loss, Lessee shall pay to Lessor the Casualty Value of such Car, which Casualty Value shall be the value set forth in the Stipulated Loss Values schedule attached hereto as Exhibit A and incorporated herein by this reference. Lessee may, at its election, retain the damaged Car for which it has paid Lessor and after making such payment, Rent with respect to such Car shall cease and the Car shall be removed from the applicable Lease. All Casualty Values assume that Rent due and payable with respect to such Car has been paid in full. As between Lessee and Lessor, Lessee shall be responsible for any and all risk of loss of, damage to, or destruction of any Car, or part thereof, occurring while such Car is located upon private tracks or premises of a Car repair location where Maintenance or Modification, as hereinafter defined, work payable by Lessor is being performed pursuant to this Agreement or any Railcar Management Agreement.

### 13. POSSESSION AND USE

A. Use. This Agreement and Lessee's rights are subject and subordinate to the rights and remedies of any lender, owner or other party which finances the Cars for or on behalf of Lessor. Financing agreements between such parties and Lessor, if any, shall determine whether the Cars may be used in Canada or Mexico. Consequently, no use greater than temporary or incidental may be made of the Cars in Canada and no use may be made in Mexico without Lessor's prior written consent. The Cars may not be used in unit train service (other than incidentally) unless an applicable Schedule provides otherwise.

B. Compliance. Lessee agrees that while Cars are in Lessee's possession, custody or control, the Cars shall be used in compliance with all applicable laws, regulations and AAR rules.

C. Marks to Show Ownership or Security Interests. Lessee shall mark Cars with its reporting marks at its expense unless otherwise noted on the Schedule. Lessor may mark cars to indicate rights of Lessor or of any financing party. Lessee shall not change any reporting mark or remove or change any of Lessor's lettering without written consent of Lessor.

D. Lessee Liens. Lessee shall not directly or indirectly allow to exist encumbrances of any kind with regard to any Cars or this Agreement arising by, through or under it except those created for the benefit of Lessor or any financing party.

E. Quiet Enjoyment. Lessor agrees that, so long as no event of default has occurred or is continuing, Lessor shall not take or cause to be taken any action inconsistent with the Lessee's rights under this Lease or otherwise through its own actions interfere with or interrupt the quiet enjoyment of the use, operation and possession of any Car by Lessee or any permitted assignee, transferee or sub lessee.

### 14. DEFAULT

A. Events of Default. The occurrence of any of the following events shall be an Event of Default:

- (i) The nonpayment by Lessee of any sum required herein to be paid by Lessee within five (5) days after the date such payment is due;
- (ii) The breach by Lessee of any other term or condition of this Agreement which is not cured within thirty (30) days after notice, in writing, of such breach;
- (iii) The making by Lessee of a general assignment for the benefit of

creditors, or the failure to pay or the making of a statement that it is unable to pay, or that it is unable to pay its debts generally as they become due,

- (iv) In the event that the Lessee becomes the debtor in a bankruptcy proceeding (including Chapter 11), the failure of Lessee to assume this Agreement within 90 days of the commencement of the case
- (v) Any action, event or existence of any condition the effect of which would be to materially impair Lessee's ability to perform its obligations under this Agreement, or
- (vi) Any representation or warranty made by Lessee relating in any manner to the subject matter of this Agreement shall prove to have been incorrect in any material respect as of the time when made

**B. Lessor Remedies.** Upon the occurrence of any Event of Default, Lessor at its option may exercise any or all of the following rights and remedies and any additional rights and remedies permitted by law (none of which shall be exclusive) and shall be entitled to recover all its costs and expenses, including attorney fees, in enforcing its rights and remedies:

- (i) Terminate this Agreement and recover damages; and/ or
- (ii) Proceed by any lawful means to enforce performance by Lessee of this Agreement and/or to recover damages for any breach thereof; and/or
- (iii) By notice in writing to Lessee, terminate Lessee's right to possession and use of some or all of the Cars, whereupon all right and interest of Lessee in such Cars shall terminate; thereupon Lessee shall at its expense promptly return such Cars to Lessor at such place as Lessor shall designate and in the condition required as provided in the Section 15, or if Lessee does not so promptly return the Cars on demand, Lessor may enter upon any premises where the Cars may be located and take possession of such Cars free from any right of Lessee. Lessee shall pay to Lessor all rental amounts which under the terms of this Agreement may then be due or would have become due for the duration of this Agreement with respect to terminated Cars and any other amounts or damages due hereunder
- (iv) In addition to any other remedy described herein, Lessor shall be entitled to annual interest on any amount then due at a rate equal to the lesser of (1) the sum of the Swap Rate, plus 10%, or (2) the highest rate allowed

by law. For purposes of this Section (iv), the Swap Rate will be the rate indicated on the Federal Reserve Statistical Release H 15 web site (<http://www.federalreserve.gov/releases/h15/cp.htm>) as of the date of such Event of Default.

## 15. RETURN OF CARS

A. Return. If a Schedule does not include a specific designated return location for such Car, Lessee shall return such Car to Lessor at such designated redelivery location as designated by Lessor (the "*Return Location*"), or if applicable, and prior to such return, in accordance with Section 15(C). Lessee shall bear any transportation costs incurred in moving any Car to the Return Location.

B. Condition Upon Return. Except for normal wear and tear, each Car shall be returned to Lessor (i) in as good condition, order and repair as when delivered to Lessee, (ii) in interchange condition in accordance with AAR and RUA rules and regulations, interchange condition to include the replacement of missing materials and the correction of wrong repairs and items listed in the Interchange Rules as "cause for renewal" and "cause for attention"; (iii) free of any and all Rule 95 damage, (iv) suitable for loading of the commodities allowed in the applicable Schedule; and (v) free from all accumulations of deposits from commodities transported in or on it while in the service of Lessee. Any item that is damaged or worn beyond what is considered to be normal by the original component manufacturer shall be deemed to have been damaged beyond normal wear and tear and shall be Lessee's responsibility.

C. Storage. Lessee shall, at Lessor's request, provide up to thirty (30) days free storage for any Car. To the extent Lessor requires additional storage beyond the aforementioned thirty (30) days of free storage, the Parties shall negotiate, in good faith, a daily storage rate for an additional period of up to ninety (90) days.

D. Marking. Lessee shall bear all reasonable costs associated with remarking each Car at a facility mutually selected by the parties.

E. Return of Records. Lessee shall return to Lessor all Record Keeping records including the then current AAR UMLER format for hard copy records Lessee shall continue to allow (at no burden or expense to Lessee) the Cars to be registered in UMLER until the Cars are remarked.

F. Inspection. Lessor may inspect any Car which is returned to it, within a reasonable time after such return. Lessee shall be entitled to participate in any such inspection. Lessee agrees to pay Lessor within thirty (30) days of receipt of an invoice for repairs, replacements and cleaning for which Lessee is responsible. Lessor may invoice Lessee before having such work performed.

## 16. INDEMNITIES

Lessee agrees to defend, indemnify and hold harmless Lessor from any and all claims, losses, damages, liabilities, costs, and expenses (including attorneys fees) with respect to the Cars, which are occasioned by the fault of Lessee, occur while the Cars are in Lessee's possession, custody or control, or would be the Lessee's responsibility as the "handling carrier" under the Interchange Rules and Car Hire Rules if the Cars were not bearing Lessee's reporting marks. The indemnities contained in this Agreement shall survive the expiration or termination of this Agreement.

## 17. MISCELLANEOUS

A. No Assignment or Sublease without Lessor Consent. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. *WITHOUT THE APPROVAL OF LESSOR, LESSEE MAY NOT PLEDGE OR ASSIGN THIS AGREEMENT OR ANY OF ITS RIGHTS OR OBLIGATIONS HEREUNDER OR SUBLEASE OR ASSIGN ANY CARS TO ANY PARTY.* Any purported assignment or sublease in violation hereof shall be void. This Section shall not prohibit Lessee from engaging in the practice commonly known in the railroad industry as assigning cars to a shipper on Lessee's lines, or from assigning this Agreement to an affiliate or subsidiary company as part of a reorganization or recapitalization.

B. Assignment by Lessor. All rights and obligations of Lessor under this Agreement, and Lessor's interest in the Cars and in the rents, may be assigned, pledged or transferred in whole or in part. On reasonable notice by Lessor, Lessee shall execute any reasonable documents to confirm such assignment, pledge or transfer, but such assignment, pledge or transfer shall be effective in whole or in part without such notice or consent.

C. Additional Documents. Both parties agree to execute the documents contemplated by this transaction and such other documents as may be required in furtherance of any financing agreement entered into by Lessor or its assignees in connection with the acquisition, financing or use of the Cars.

D. No Waiver. No delay, waiver, indulgence or partial exercise by Lessor of any right, power or remedy shall preclude any further exercise thereof or the exercise of any additional right, power or remedy.

E. Financial Information. During the term of this Agreement, Lessee hereby agrees to deliver to Lessor and/or to any assignee of Lessor who agrees to be bound by the terms of the confidentiality agreement between Lessee and Lessor, a copy of Lessee's and any Guarantor's annual audited financial statements within one-hundred and twenty (120) days after the end of its fiscal year, or at such other times as Lessor may reasonably request.

F. Intentionally Omitted.

G. No Warranties. Lessor's obligations with respect to the Cars are expressly limited to those set forth in this Agreement and LESSOR MAKES NO OTHER WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED. LESSOR MAKES NO WARRANTY OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE OR OTHERWISE, NOR SHALL LESSOR HAVE ANY LIABILITY FOR ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH ANY CAR.

H. Notices. Any notices required or permitted to be given hereunder shall be deemed given when sent by telecopy, facsimile or deposited in United States Mail, registered or certified, postage prepaid, addressed to:

Lessor: TRANSPORTATION ALLIANCE LEASING LLC  
Attn: Vice President of Leasing  
4185 Harrison Blvd, Suite 200  
Ogden, Utah 84403  
Telephone: (801) 624-4800  
Facsimile: (801) 395-8652

With copy to: TRANSPORTATION ALLIANCE LEASING LLC  
Attn: General Counsel  
4185 Harrison Blvd., Suite 200  
Ogden, Utah 84403  
Telephone: (801) 624-4800  
Facsimile: (801) 395-8653

Lessee: WATCO COMPANIES  
Attn: Todd E Poland  
General Director, Car Accounting & Fleet Management  
315 W. 3rd Street  
Pittsburg, KS 66762  
Phone 620.240.6643  
[tpoland@watco.com](mailto:tpoland@watco.com)

or to such other addresses as Lessor and Lessee may from time to time designate

I. Applicable Law. The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the State of Utah, without regard to Utah's choice of law doctrine. This Agreement is deemed made upon execution hereof by Lessee followed by posting of Lessee's signed copy to Lessor's office in the State of Utah for countersignature and countersignature thereof. LESSEE AND LESSOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY JUDICIAL PROCEEDING TO WHICH THEY ARE BOTH PARTIES INVOLVING,

DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS LEASE, ANY OF THE OTHER OPERATIVE DOCUMENTS OR THE RELATIONSHIP ESTABLISHED HEREUNDER OR THEREUNDER.

J. Survival. The obligations of the parties shall survive the expiration or other termination of this Agreement.

K. Entire Agreement. This Agreement represents the entire agreement and it may not be modified, altered or amended except by agreement in writing signed by the parties

L. Counterparts. This Agreement and any Exhibit or Schedule hereunder may be executed in any number of counterparts, and such counterparts together shall constitute one contract.

M. Days. All references to days shall mean calendar days and not business days

N. Section Headings. The captions and section headings are for the convenience and reference of the parties and are not to be construed as a part of the agreement of the parties constituting this Agreement.

O. Enforceability. Any provision of this Agreement, which is prohibited or unenforceable in any jurisdiction shall, solely as to such jurisdiction, be ineffective to the limited extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Each party, pursuant to due entity authority, has caused this Agreement to be executed by its authorized officer or other employee, and each of the undersigned declares under penalty of perjury that he or she holds the title indicated below, that the execution of this Agreement was the free act and deed of the entity, the foregoing is true and correct and that this Agreement was executed on the date indicated.

*[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]*

WHEREFORE, the parties, having fully set forth their agreement, do hereby execute the same

**LESSOR: TRANSPORTATION ALLIANCE LEASING LLC**

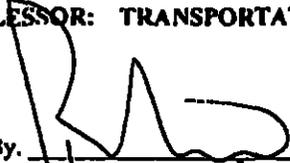
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LESSEE: WATCO COMPANIES, L.L.C.**

By:  \_\_\_\_\_  
Name: BRYAN PITTS  
Title: ASST. MGR. FLEET

WHEREFORE, the parties, having fully set forth their agreement, do hereby execute the same.

LESSOR: TRANSPORTATION ALLIANCE LEASING LLC

By:   
Name: R. D. Hunter  
Title: MEMBER

LESSEE: WATCO COMPANIES, L.L.C.

By:   
Name: Bryan Pitts  
Title: Asst. Mgr Fleet

**Exhibit A**

**STIPULATED LOSS VALUES**

Note: Prior to February 28, 2012, the Termination Value for each of the Cars will be \$20,100.

Termination Value  
----- Schedule -----

Customer ..... Watco Companies/Walco Energy  
 Prepared Jan-09-2012 9:15 by .. Steve Alexander  
 Template filename .. Training - Tax Lease  
 Template path .. c:\wvory\templates\  
 Comment .. Watco/Walco Energy

date	termination value	termination value % of basis
Feb-28-12	19,945.00	99.22883633
Mar-28-12	19,780.40	98.40996871
Apr-28-12	19,614.97	97.58689308
May-28-12	19,448.54	96.75892035
Jun-28-12	19,281.27	95.92670017
Jul-28-12	19,113.00	95.08957458
Aug-28-12	18,943.84	94.24790378
Sep-28-12	18,773.81	93.40206130
Oct-28-12	18,602.79	92.55121105
Nov-28-12	18,430.86	91.69584109
Dec-28-12	18,258.06	90.83612009
Jan-28-13	18,084.26	89.97143853
Feb-28-13	17,909.54	89.10218748
Mar-28-13	17,733.90	88.22836252
Apr-28-13	17,557.67	87.35161254
May-28-13	17,380.83	86.47178885
Jun-28-13	17,203.39	85.58901812
Jul-28-13	17,025.34	84.70316029
Aug-28-13	17,101.35	85.08134328

Termination values are due in addition to any advance or arrears rent due on the same date

**Exhibit B**

**SCHEDULES OF LEASE CARS**

SOXX/AIGX 400121 – 400150; SOXX/AIGX 400152 – 400173; SOXX/AIGX 400175 – 400206

1	SOXX	400121	29	SOXX	400149	57	SOXX	400179
2	AIGX	400122	30	SOXX	400150	58	AIGX	400180
3	SOXX	400123	31	AIGX	400152	59	AIGX	400181
4	SOXX	400124	32	SOXX	400153	60	SOXX	400182
5	SOXX	400125	33	SOXX	400154	61	SOXX	400183
6	SOXX	400126	34	SOXX	400155	62	SOXX	400184
7	AIGX	400127	35	SOXX	400156	63	SOXX	400185
8	AIGX	400128	36	AIGX	400157	64	SOXX	400186
9	SOXX	400129	37	SOXX	400158	65	SOXX	400187
10	AIGX	400130	38	AIGX	400159	66	SOXX	400188
11	AIGX	400131	39	SOXX	400160	67	SOXX	400189
12	AIGX	400132	40	AIGX	400161	68	SOXX	400190
13	SOXX	400133	41	AIGX	400162	69	SOXX	400191
14	SOXX	400134	42	SOXX	400163	70	SOXX	400192
15	AIGX	400135	43	AIGX	400164	71	AIGX	400193
16	SOXX	400136	44	AIGX	400165	72	SOXX	400194
17	AIGX	400137	45	AIGX	400166	73	SOXX	400195
18	AIGX	400138	46	SOXX	400167	74	SOXX	400196
19	SOXX	400139	47	AIGX	400168	75	SOXX	400197
20	SOXX	400140	48	SOXX	400169	76	SOXX	400198
21	SOXX	400141	49	AIGX	400170	77	SOXX	400199
22	SOXX	400142	50	AIGX	400171	78	SOXX	400200
23	SOXX	400143	51	AIGX	400172	79	SOXX	400201
24	SOXX	400144	52	SOXX	400173	80	SOXX	400202
25	SOXX	400145	53	SOXX	400175	81	SOXX	400203
26	AIGX	400146	54	AIGX	400176	82	AIGX	400204
27	SOXX	400147	55	SOXX	400177	83	AIGX	400205
28	SOXX	400148	56	AIGX	400178	84	SOXX	400206

## **SCHEDULE NUMBER 001**

This Schedule Number 001 ("Schedule") to that certain Lease Agreement ("Agreement"), dated for reference purposes as of January 9, 2011, between TRANSPORTATION ALLIANCE LEASING LLC ("Lessor") and WATCO COMPANIES, L.L.C. ("Lessee"), is made for reference purposes as of this 9th day of December, 2011 between Lessor and Lessee.

Lessee and Lessor agree as follows:

1. All terms of the Agreement shall have the meanings defined therein when used in this Schedule except that the term "Cars" shall refer only to the equipment described in this Schedule.
2. Lessor hereby leases the following Cars to Lessee:

There shall be eighty (80) 1980 used 4240cf, steel single tub gondolas, built by American Car and Foundry, with car numbers listed on Exhibit B to the Agreement. The exact car numbers will be determined upon shipment of the Cars to Lessee and shall be listed on Exhibit A to each Delivery and Acceptance Certificate. Lessee shall be permitted to move them to other locations to suit their operation. Lessor's obligation to lease the Cars is subject to Lessor's purchase and acquisition of the Cars so that the total number of Cars that Lessor leases to Lessee may be reduced to the extent that Lessor does not purchase or acquire a Car or Cars from third-party Flagship Rail Services, LLC.
3. The term of the lease with respect to the Cars described on this Schedule Number 001 shall be deemed to have commenced on the earlier of February 28, 2012 or upon Lessee's acceptance of 80 of the Cars included in Exhibit B to the Lease ("Lease Commencement Date"). An "Interim Lease Period" will commence upon Lessor's Acquisition Date of any Car and will continue until the Lease Commencement Date. Delivery with respect to each Car shall be defined as the day each Car is delivered to Lessee's Loading Point at the location of each Car as of the date of Lessor's acquisition of such Car or such other location as Lessee shall designate in writing prior to shipment ("Delivery Location"). The initial lease term shall continue as to all of the Cars described in this Schedule through the last day of the 18<sup>th</sup> month following the Lease Commencement date ("Lease Termination Date").
4. The rental shall be a fixed amount of \$255 per month per Car. Rent for each Car will be paid on the first of each month, in advance. During any Interim Lease Period, any rent attributable to a Car (the "Interim Rent") shall be pro-rated and paid (1) for all Interim Rent due in the month of January 2012, on February 6, 2012 and (2) with all remaining Interim Rent due and payable on the Commencement Date. Should any notice be given under Section 14(A)(i) of the Agreement, then any rental payment then due shall incur liquidated damages equal to 5% of such late rental payment.
5. Provided that (i) Lessee is not then in default, and (ii) upon Lessee providing Lessor with written notice, at least ninety (90) days prior to the Lease Termination Date or the termination date of any renewal period, as applicable, Lessee will have the following options to renew the lease and this

Schedule (such renewal options are consecutive):

Renewal Option/Purchase Requirement Period 1 At the Lease Termination Date, Lessee may renew the lease and this Schedule for a period of eighteen (18) months at a rental payment equal to a fixed amount of \$250 per month per Car. If Lessee does not provide timely notice to renew as required, Lessee shall purchase all of the Cars for a price of \$17,101.35 per Car.

Renewal Option/Purchase Requirement Period 2 At the end of the 1<sup>st</sup> renewal period, Lessee may renew the lease and this Schedule for a period of twelve (12) months at a rental payment equal to a fixed amount of \$245 per month per Car. If Lessee does not provide timely notice to renew as required, Lessee shall purchase all of the Cars for a price of \$13,927.46 per Car.

Renewal/Purchase Option Period 3 At the end of the 2<sup>nd</sup> renewal period Lessee may renew the lease and this Schedule for a period of twelve (12) months at a rental payment equal to a fixed amount of \$245 per month per Car, or may purchase all but not less than all of the Cars for their then fair market value. Lessor agrees that the fair market value price will be a maximum of \$13,500 per Car. If Lessee does not renew the lease or purchase the Cars, Lessee shall return the Cars to Lessor.

End of All Renewal Periods In the event that the Lessee has not previously purchased the Cars, at the end of the 3<sup>rd</sup> renewal period, Lessee may purchase all but not less than all of the Cars for their then fair market value. Lessor agrees that the fair market value price will be a maximum of \$13,500 per Car. If Lessee does not purchase the Cars, Lessee shall return the Cars to Lessor.

6. **Excess Operational Mileage.** In any twelve month period, during which the fleet average mileage exceeds 20,000 miles per Car, Lessee shall pay Lessor an additional fee equal to \$0.025 per mile above such average, times the number of Cars averaged in the fleet over such twelve month period.
7. **Lessee shall bear the cost and obligations for maintenance and repair with respect to the Cars leased pursuant to this Schedule.**
8. **The Cars shall be used as coal gondolas and they shall be delivered for such purpose.** If Lessee returns the Cars as set forth above in paragraph 5 or Lessor exercises the remedies in Section 14(B)(iii) of the Agreement, the Cars shall be returned to Lessor empty and otherwise in accordance with the terms of Section 15 of the Agreement. Returned Cars, except for normal wear and tear, shall be in the same good order and condition as the Cars were in when they were delivered by the Lessor to Lessee and in conformance with all other requirements of the Agreement. Lessee shall, on demand, reimburse Lessor the cost of cleaning any Car containing residue or for damage to any Car or appurtenances which have been affected by the commodity loaded therein. *The Return Location* for any Car is a location controlled by Lessee or an affiliate or subsidiary of Lessee, in Birmingham, Alabama.
9. **Lessor shall be responsible for the cost of remarking and retagging.**

The Lease Commencement date and the Interim Lease Period date shall be used for purposes of commencement of payment of rent and Interim Rent for each Car as described in Paragraph 4, above

10. The Record Keeper designated in Paragraph 8 of the Agreement is Lessee
11. Physical loss and damage insurance shall be in the minimum amount of \$1,608,000 per occurrence and \$1,608,000 overall. In addition to the other obligations described in Section 8 of the Agreement, at the Lease Commencement Date, for casualty insurance purposes, the stated value of the Cars is \$20,100.00 per Car.
12. Within three (3) days prior to Lessor's acquisition of Cars ("Inspection Period") from Flagship Rail Services, L.L.C, Lessor (or another person designated by Lessor), will notify Lessee of the right to inspect the Cars. This notice may be in the form of an email sent to [tpoland@watcocompanies.com](mailto:tpoland@watcocompanies.com). Lessee will inspect and return the Delivery and Acceptance Certificate to Lessor prior to the conclusion of the Inspection Period. In the event that Lessee does not inspect such Cars during the Inspection Period, then Lessee will be deemed to have accepted such Cars under the terms of this Lease.
13. In purchasing the Cars, Lessor, as buyer, incurred the following obligations (the "Obligations") to the Car seller, as follows:

*Section 9.11 Marks Management. Buyer shall be responsible, at its sole cost and expense, for removing the Seller's marks from the Relevant Equipment ("re-mark") as soon as practicable on or after the applicable Closing Date. Buyer desires that Seller ("Manager") perform certain administrative services in respect of such units until the units are re-marked; provided, that Buyer shall remain obligated to re-mark all Relevant Equipment as soon as practicable and shall notify Seller immediately upon re-marking each such unit.*

*Manager provides the administrative services with the understanding that (A) Buyer will pay Manager an administrative services fee equal to the sum of Thirty Dollars (\$30) per unit per calendar month following the applicable Closing Date until in the case of each unit, such unit is re-marked ("Re-mark Date"). Buyer will reimburse Manager for any out-of-pocket costs and administrative services, if any, incurred by Manager in connection with such units from the applicable Closing Date, and (B) as between Buyer and Manager, from the applicable Closing Date, Buyer will retain all risk associated with the use, possession, storage, operation, condition, repair, maintenance, mandatory modifications, replacement and disposition of such units. Notwithstanding the foregoing, Buyer shall pay the administrative fee commencing March 1, 2012 for all cars which have not been re-marked by such date.*

*While Manager's services will be rendered in good faith and in accordance with industry standards, Manager does not warrant or guarantee its services will be error-free.*

*Buyer will indemnify and hold Manager harmless in connection with any liability, claim, action or demand associated with any accident, personal injury (including death), and property or environmental damage resulting from or arising out of the use, possession, storage, operation, condition, repair, maintenance, mandatory modification, replacement or disposition of the cars being managed by Manager from the applicable Closing Date, provided that, Buyer shall not indemnify Manager for Manager's gross negligence, willful misconduct or breach of this Section*

Lessee agrees to (1) indemnify Lessor for any and all Obligations, (2) hold Lessor harmless from

such Obligations, and (3) pay any and all expenses associated with the Obligations.

Except as expressly modified by this Schedule, with respect to these Cars, all terms and conditions of the Agreement shall remain in full force and effect

Each party, pursuant to due entity authority, has caused this Agreement to be executed by its authorized officer or other employee, and each of the undersigned declares under penalty of perjury that he or she holds the title indicated below, that the execution of this Agreement was the free act and deed of the entity, the foregoing is true and correct and that this Agreement was executed on the date indicated.

***[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]***

LESSOR:  
TRANSPORTATION ALLIANCE LEASING LLC

By [Signature]  
Title: CEO MEMBER

State of UTAH

County of WEBER <sup>SS</sup>

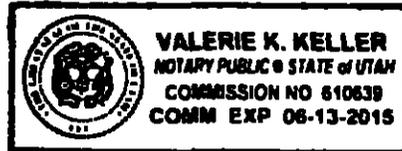
On this 12<sup>th</sup> day of January, 2012 before me personally appeared Boyd HUNTER, to me personally known, who being by me duly sworn, says that (s)he is the MEMBER of Transportation Alliance Leasing LLC, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(SEAL)

Valerie K. Keller

Signature of Notary Public

My Commission expires 06-13-2015



LESSEE:  
WATCO COMPANIES, L.L.C.

By: [Signature]  
Title: ASST. FLEET MGR

State of Kansas  
County of Crawford <sup>SS</sup>

On this 10<sup>th</sup> day of January, 2012 before me personally appeared Brian Pitts, to me personally known, who being by me duly sworn, says that (s)he is the Asst. Fleet Mgr of Watco Companies, L.L.C., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation

(SEAL)

[Signature]  
Signature of Notary Public  
My Commission expires 8/16/2012



CERTIFICATION

State of Kansas  
County of Crawford<sup>SS</sup>

The notary public, identified below, hereby certifies that he/she has compared the foregoing copies of the Lease Agreement and Schedule No. 001, by and between Watco Companies, L. L. C., and Transportation Alliance Leasing L.L.C. dated January, 09, 2012, to the original of such documents, and has found the copies to be complete and identical in all respects to the original document.

(SEAL)

David Magee

Signature of Notary Public

My Commission expires 8/16/2012



## **SCHEDULE NUMBER 002**

This Schedule Number 002 ("Schedule") to that certain Lease Agreement ("Agreement"), dated as of January 9, 2012, between TRANSPORTATION ALLIANCE LEASING LLC. ("Lessor") and WATCO COMPANIES, L.L.C. ("Lessee"), is made for reference purposes as of this 3rd day of February, 2012, between Lessor and Lessee.

Lessee and Lessor agree as follows

1. All terms of the Agreement shall have the meanings defined therein when used in this Schedule except that the term "Cars" shall refer only to the equipment described in this Schedule
2. Lessor hereby leases the following Cars to Lessee:  

There shall be eighty (80) 1980 used 4240cf, steel single tub gondolas, built by American Car and Foundry, with car numbers listed on Exhibit B to the Agreement. The exact car numbers will be determined upon shipment of the Cars to Lessee and shall be listed on Exhibit A to each Delivery and Acceptance Certificate. Lessee shall be permitted to move them to other locations to suit their operation. Lessor's obligation to lease the Cars is subject to Lessor's purchase and acquisition of the Cars so that the total number of Cars that Lessor leases to Lessee may be reduced to the extent that Lessor does not purchase or acquire a Car or Cars from third-party Flagship Rail Services, LLC
3. The term of the lease with respect to the Cars described on this Schedule Number 002 shall be deemed to have commenced on the earlier of February 28, 2012 or upon Lessee's acceptance of 80 of the Cars included in Exhibit B to the Lease ("Lease Commencement Date"). An "Interim Lease Period" will commence upon Lessor's Acquisition Date of any Car and will continue until the Lease Commencement Date. Delivery with respect to each Car shall be defined as the day each Car is delivered to Lessee's Loading Point at the location of each Car as of the date of Lessor's acquisition of such Car or such other location as Lessee shall designate in writing prior to shipment ("Delivery Location"). The initial lease term shall continue as to all of the Cars described in this Schedule through the last day of the 18<sup>th</sup> month following the Lease Commencement date ("Lease Termination Date").
4. The rental shall be a fixed amount of \$255 per month per Car. Rent for each Car will be paid on the first of each month, in advance. During any Interim Lease Period, any rent attributable to a Car (the "Interim Rent") shall be pro-rated and paid (1) for all Interim Rent due in the month of January 2012, on February 6, 2012 and (2) with all remaining Interim Rent due and payable on the Commencement Date. Should any notice be given under Section 14(A)(i) of the Agreement, then any rental payment then due shall incur liquidated damages equal to 5% of such late rental payment.
5. Provided that (i) Lessee is not then in default, and (ii) upon Lessee providing Lessor with written notice, at least ninety (90) days prior to the Lease Termination Date or the termination date of any renewal period, as applicable, Lessee will have the following options to renew the lease and this

Schedule (such renewal options are consecutive):

**Renewal Option/Purchase Requirement Period 1.** At the Lease Termination Date, Lessee may renew the lease and this Schedule for a period of eighteen (18) months at a rental payment equal to a fixed amount of \$250 per month per Car. If Lessee does not provide timely notice to renew as required, Lessee shall purchase all of the Cars for a price of \$17,101.35 per Car

**Renewal Option/Purchase Requirement Period 2.** At the end of the 1<sup>st</sup> renewal period, Lessee may renew the lease and this Schedule for a period of twelve (12) months at a rental payment equal to a fixed amount of \$245 per month per Car. If Lessee does not provide timely notice to renew as required, Lessee shall purchase all of the Cars for a price of \$13,927.46 per Car

**Renewal/Purchase Option Period 3.** At the end of the 2<sup>nd</sup> renewal period Lessee may renew the lease and this Schedule for a period of twelve (12) months at a rental payment equal to a fixed amount of \$245 per month per Car, or may purchase all but not less than all of the Cars for their then fair market value. Lessor agrees that the fair market value price will be a maximum of \$13,500 per Car. If Lessee does not renew the lease or purchase the Cars, Lessee shall return the Cars to Lessor.

**End of All Renewal Periods:** In the event that the Lessee has not previously purchased the Cars, at the end of the 3<sup>rd</sup> renewal period, Lessee may purchase all but not less than all of the Cars for their then fair market value. Lessor agrees that the fair market value price will be a maximum of \$13,500 per Car. If Lessee does not purchase the Cars, Lessee shall return the Cars to Lessor.

6. **Excess Operational Mileage** In any twelve month period, during which the fleet average mileage exceeds 20,000 miles per Car, Lessee shall pay Lessor an additional fee equal to \$0.025 per mile above such average, times the number of Cars averaged in the fleet over such twelve month period
7. Lessee shall bear the cost and obligations for maintenance and repair with respect to the Cars leased pursuant to this Schedule.
8. The Cars shall be used as coal gondolas and they shall be delivered for such purpose. If Lessee returns the Cars as set forth above in paragraph 5 or Lessor exercises the remedies in Section 14(B)(iii) of the Agreement, the Cars shall be returned to Lessor empty and otherwise in accordance with the terms of Section 15 of the Agreement. Returned Cars, except for normal wear and tear, shall be in the same good order and condition as the Cars were in when they were delivered by the Lessor to Lessee and in conformance with all other requirements of the Agreement. Lessee shall, on demand, reimburse Lessor the cost of cleaning any Car containing residue or for damage to any Car or appurtenances which have been affected by the commodity loaded therein. The *Return Location* for any Car is a location controlled by Lessee or an affiliate or subsidiary of Lessee, in Birmingham, Alabama
9. Lessor shall be responsible for the cost of remarking and retagging.

The Lease Commencement date and the Interim Lease Period date shall be used for purposes of commencement of payment of rent and Interim Rent for each Car as described in Paragraph 4, above.

10. The Record Keeper designated in Paragraph 8 of the Agreement is Lessee.
11. Physical loss and damage insurance shall be in the minimum amount of \$1,608,000 per occurrence and \$1,608,000 overall. In addition to the other obligations described in Section 8 of the Agreement, at the Lease Commencement Date, for casualty insurance purposes, the stated value of the Cars is \$20,100.00 per Car.
12. Within three (3) days prior to Lessor's acquisition of Cars ("Inspection Period") from Flagship Rail Services, L.L.C, Lessor (or another person designated by Lessor), will notify Lessee of the right to inspect the Cars. This notice may be in the form of an email sent to [tpoland@waico.companies.com](mailto:tpoland@waico.companies.com). Lessee will inspect and return the Delivery and Acceptance Certificate to Lessor prior to the conclusion of the Inspection Period. In the event that Lessee does not inspect such Cars during the Inspection Period, then Lessee will be deemed to have accepted such Cars under the Terms of this Lease.
13. In purchasing the Cars, Lessor, as buyer, incurred the following obligations (the "Obligations") to the Car seller, as follows:

*Section 9.11 Marks Management. Buyer shall be responsible, at its sole cost and expense, for removing the Seller's marks from the Relevant Equipment ("re-mark") as soon as practicable on or after the applicable Closing Date. Buyer desires that Seller ("Manager") perform certain administrative services in respect of such units until the units are re-marked; provided, that Buyer shall remain obligated to re-mark all Relevant Equipment as soon as practicable and shall notify Seller immediately upon re-marking each such unit.*

*Manager provides the administrative services with the understanding that (A) Buyer will pay Manager an administrative services fee equal to the sum of Thirty Dollars (\$30) per unit per calendar month following the applicable Closing Date until in the case of each unit, such unit is re-marked ("Re-mark Date") Buyer will reimburse Manager for any out-of-pocket costs and administrative services, if any, incurred by Manager in connection with such units from the applicable Closing Date, and (B) as between Buyer and Manager, from the applicable Closing Date, Buyer will retain all risk associated with the use, possession, storage, operation, condition, repair, maintenance, mandatory modifications, replacement and disposition of such units. Notwithstanding the foregoing, Buyer shall pay the administrative fee commencing March 1, 2012 for all cars which have not been re-marked by such date.*

*While Manager's services will be rendered in good faith and in accordance with industry standards, Manager does not warrant or guarantee its services will be error-free.*

*Buyer will indemnify and hold Manager harmless in connection with any liability, claim, action or demand associated with any accident, personal injury (including death), and property or environmental damage resulting from or arising out of the use, possession, storage, operation, condition, repair, maintenance, mandatory modification, replacement or disposition of the cars being managed by Manager from the applicable Closing Date; provided that, Buyer shall not indemnify Manager for Manager's gross negligence, willful misconduct or breach of this Section.*

Lessee agrees to (1) indemnify Lessor for any and all Obligations, (2) hold Lessor harmless from

**such Obligations, and (3) pay any and all expenses associated with the Obligations.**

**Except as expressly modified by this Schedule, with respect to these Cars, all terms and conditions of the Agreement shall remain in full force and effect.**

**Each party, pursuant to due entity authority, has caused this Agreement to be executed by its authorized officer or other employee, and each of the undersigned declares under penalty of perjury that he or she holds the title indicated below, that the execution of this Agreement was the free act and deed of the entity, the foregoing is true and correct and that this Agreement was executed on the date indicated**

***[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]***

LESSOR:  
TRANSPORTATION ALLIANCE LEASING L.L.C.

By: Jeff Bell

Title: Pres. Mgr

State of UTAH

County of WEBER ss

On this 9<sup>th</sup> day of FEBRUARY, 2012 before me personally appeared JEFF BELL, to me personally known, who being by me duly sworn, says that (s)he is the Pres. Mgr. of Transportation Alliance Leasing L.L.C., that said instrument was signed on behalf of said company by authority of its Management Committee, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

(SEAL)  
Valerie K. Keller  
Signature of Notary Public

My Commission Expires 06-13-2015



**LESSEE:**  
WATCO COMPANIES, L.L.C.

By 

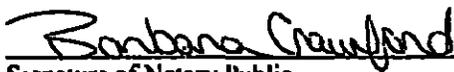
Title Asst. Mgr. Fleet

State of Kansas )

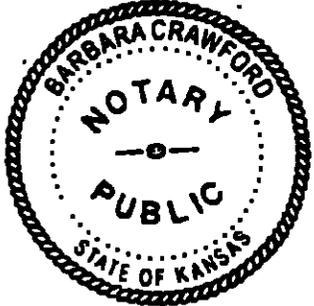
County of Crawford ) ss

On this 3 day of February, 2012 before me personally appeared Bryan P. Pitts, to me personally known, who being by me duly sworn, says that (s)he is the Asst. Mgr. Fleet of Watco Companies, L.L.C., that said instrument was signed on behalf of said company by authority of its Management Committee, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

(SEAL)

  
Signature of Notary Public

My Commission Expires 7-5-2015



## **SCHEDULE NUMBER 003**

This Schedule Number 003 ("Schedule") to that certain Lease Agreement ("Agreement"), dated as of January 9, 2012, between TRANSPORTATION ALLIANCE LEASING LLC ("Lessor") and WATCO COMPANIES, L.L.C. ("Lessee"), is made for reference purposes as of this 23rd day of February, 2012, between Lessor and Lessee.

Lessee and Lessor agree as follows:

1. All terms of the Agreement shall have the meanings defined therein when used in this Schedule except that the term "Cars" shall refer only to the equipment described in this Schedule.
2. Lessor hereby leases the following Cars to Lessee:  

There shall be eighty (80) 1980 used 4240cf, steel single tub gondolas, built by American Car and Foundry, with car numbers listed on Exhibit B to the Agreement. The exact car numbers will be determined upon shipment of the Cars to Lessee and shall be listed on Exhibit A to each Delivery and Acceptance Certificate. Lessee shall be permitted to move them to other locations to suit their operation. Lessor's obligation to lease the Cars is subject to Lessor's purchase and acquisition of the Cars so that the total number of Cars that Lessor leases to Lessee may be reduced to the extent that Lessor does not purchase or acquire a Car or Cars from third-party Flagship Rail Services, LLC.
3. The term of the lease with respect to the Cars described on this Schedule Number 003 shall be deemed to have commenced on the earlier of February 28, 2012 or upon Lessee's acceptance of 80 of the Cars included in Exhibit B to the Lease ("Lease Commencement Date"). An "Interim Lease Period" will commence upon Lessor's Acquisition Date of any Car and will continue until the Lease Commencement Date. Delivery with respect to each Car shall be defined as the day each Car is delivered to Lessee's Loading Point at the location of each Car as of the date of Lessor's acquisition of such Car or such other location as Lessee shall designate in writing prior to shipment ("Delivery Location"). The initial lease term shall continue as to all of the Cars described in this Schedule through the last day of the 18<sup>th</sup> month following the Lease Commencement date ("Lease Termination Date").
4. The rental shall be a fixed amount of \$255 per month per Car. Rent for each Car will be paid on the first of each month, in advance. During any Interim Lease Period, any rent attributable to a Car (the "Interim Rent") shall be pro-rated and paid (1) for all Interim Rent due in the month of February 2012, on February 29, 2012 and (2) with all remaining Interim Rent due and payable on the Commencement Date. Should any notice be given under Section 14(A)(1) of the Agreement, then any rental payment then due shall incur liquidated damages equal to 5% of such late rental payment.
5. Provided that (i) Lessee is not then in default, and (ii) upon Lessee providing Lessor with written notice, at least ninety (90) days prior to the Lease Termination Date or the termination date of any renewal period, as applicable, Lessee will have the following options to renew the lease and this

Schedule (such renewal options are consecutive).

**Renewal Option/Purchase Requirement Period 1:** At the Lease Termination Date, Lessee may renew the lease and this Schedule for a period of eighteen (18) months at a rental payment equal to a fixed amount of \$250 per month per Car. If Lessee does not provide timely notice to renew as required, Lessee shall purchase all of the Cars for a price of \$17,101.35 per Car.

**Renewal Option/Purchase Requirement Period 2:** At the end of the 1<sup>st</sup> renewal period, Lessee may renew the lease and this Schedule for a period of twelve (12) months at a rental payment equal to a fixed amount of \$245 per month per Car. If Lessee does not provide timely notice to renew as required, Lessee shall purchase all of the Cars for a price of \$13,927.46 per Car.

**Renewal/Purchase Option Period 3:** At the end of the 2<sup>nd</sup> renewal period Lessee may renew the lease and this Schedule for a period of twelve (12) months at a rental payment equal to a fixed amount of \$245 per month per Car, or may purchase all but not less than all of the Cars for their then fair market value. Lessor agrees that the fair market value price will be a maximum of \$13,500 per Car. If Lessee does not renew the lease or purchase the Cars, Lessee shall return the Cars to Lessor.

**End of All Renewal Periods:** In the event that the Lessee has not previously purchased the Cars, at the end of the 3<sup>rd</sup> renewal period, Lessee may purchase all but not less than all of the Cars for their then fair market value. Lessor agrees that the fair market value price will be a maximum of \$13,500 per Car. If Lessee does not purchase the Cars, Lessee shall return the Cars to Lessor.

6. **Excess Operational Mileage.** In any twelve month period, during which the fleet average mileage exceeds 20,000 miles per Car, Lessee shall pay Lessor an additional fee equal to \$0.025 per mile above such average, times the number of Cars averaged in the fleet over such twelve month period.
7. Lessee shall bear the cost and obligations for maintenance and repair with respect to the Cars leased pursuant to this Schedule.
8. The Cars shall be used as coal gondolas and they shall be delivered for such purpose. If Lessee returns the Cars as set forth above in paragraph 5 or Lessor exercises the remedies in Section 14(B)(ii) of the Agreement, the Cars shall be returned to Lessor empty and otherwise in accordance with the terms of Section 15 of the Agreement. Returned Cars, except for normal wear and tear, shall be in the same good order and condition as the Cars were in when they were delivered by the Lessor to Lessee and in conformance with all other requirements of the Agreement. Lessee shall, on demand, reimburse Lessor the cost of cleaning any Car containing residue or for damage to any Car or appurtenances which have been affected by the commodity loaded therein. The *Return Location* for any Car is a location controlled by Lessee or an affiliate or subsidiary of Lessee, in Birmingham, Alabama.
9. Lessor shall be responsible for the cost of remarking and retagging.

The Lease Commencement date and the Interim Lease Period date shall be used for purposes of commencement of payment of rent and Interim Rent for each Car as described in Paragraph 4, above

10. The Record Keeper designated in Paragraph 8 of the Agreement is Lessee.
11. Physical loss and damage insurance shall be in the minimum amount of \$1,608,000 per occurrence and \$1,608,000 overall. In addition to the other obligations described in Section 8 of the Agreement, at the Lease Commencement Date, for casualty insurance purposes, the stated value of the Cars is \$20,100.00 per Car.
12. Within three (3) days prior to Lessor's acquisition of Cars ("Inspection Period") from Flagship Rail Services, LLC, Lessor (or another person designated by Lessor), will notify Lessee of the right to inspect the Cars. This notice may be in the form of an email sent to [tpoland@wateco.com](mailto:tpoland@wateco.com). Lessee will inspect and return the Delivery and Acceptance Certificate to Lessor prior to the conclusion of the Inspection Period. In the event that Lessee does not inspect such Cars during the Inspection Period, then Lessee will be deemed to have accepted such Cars under the Terms of this Lease.
13. In purchasing the Cars, Lessor, as buyer, incurred the following obligations (the "Obligations") to the Car seller, as follows:

*Section 9.11 Marks Management Buyer shall be responsible, at its sole cost and expense, for removing the Seller's marks from the Relevant Equipment ("re-mark") as soon as practicable on or after the applicable Closing Date. Buyer desires that Seller ("Manager") perform certain administrative services in respect of such units until the units are re-marked; provided, that Buyer shall remain obligated to re-mark all Relevant Equipment as soon as practicable and shall notify Seller immediately upon re-marking each such unit.*

*Manager provides the administrative services with the understanding that (A) Buyer will pay Manager an administrative services fee equal to the sum of Thirty Dollars (\$30) per unit per calendar month following the applicable Closing Date until in the case of each unit, such unit is re-marked ("Re-mark Date"). Buyer will reimburse Manager for any out-of-pocket costs and administrative services, if any, incurred by Manager in connection with such units from the applicable Closing Date, and (B) as between Buyer and Manager, from the applicable Closing Date, Buyer will retain all risk associated with the use, possession, storage, operation, condition, repair, maintenance, mandatory modifications, replacement and disposition of such units. Notwithstanding the foregoing, Buyer shall pay the administrative fee commencing March 1, 2012 for all cars which have not been re-marked by such date.*

*While Manager's services will be rendered in good faith and in accordance with industry standards, Manager does not warrant or guarantee its services will be error-free.*

*Buyer will indemnify and hold Manager harmless in connection with any liability, claim, action or demand associated with any accident, personal injury (including death), and property or environmental damage resulting from or arising out of the use, possession, storage, operation, condition, repair, maintenance, mandatory modification, replacement or disposition of the cars being managed by Manager from the applicable Closing Date, provided that, Buyer shall not indemnify Manager for Manager's gross negligence, willful misconduct or breach of this Section.*

Lessee agrees to (1) indemnify Lessor for any and all Obligations, (2) hold Lessor harmless from

such Obligations, and (3) pay any and all expenses associated with the Obligations

Except as expressly modified by this Schedule, with respect to these Cars, all terms and conditions of the Agreement shall remain in full force and effect

Each party, pursuant to due entity authority, has caused this Agreement to be executed by its authorized officer or other employee, and each of the undersigned declares under penalty of perjury that he or she holds the title indicated below, that the execution of this Agreement was the free act and deed of the entity, the foregoing is true and correct and that this Agreement was executed on the date indicated.

*[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]*

LESSOR:  
TRANSPORTATION ALLIANCE LEASING LLC.

By: Jeff Bell

Title: Manager

State of UTAH

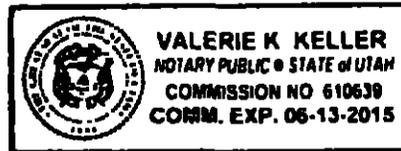
County of WEBER ss

On this 28<sup>th</sup> day of FEBRUARY, 2012 before me personally appeared JEFF BELL, to me personally known, who being by me duly sworn, says that (s)he is the PRESIDENT of Transportation Alliance Leasing LLC., that said instrument was signed on behalf of said company by authority of its Management Committee, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said company

(SEAL)

Valerie K. Keller  
Signature of Notary Public

My Commission Expires 06-13-2015



LESSEE:  
WATCO COMPANIES, L.L.C.

By: [Signature]

Title ASSISTANT FLEET MANAGER

State of KANSAS

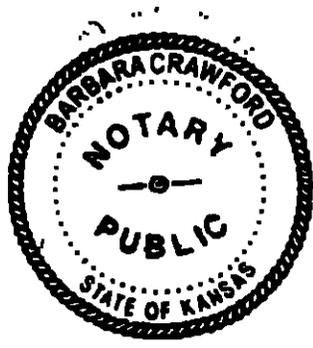
County of Crawford ss

On this 27 day of FEBRUARY, 2012 before me personally appeared Bryan Pitts, to me personally known, who being by me duly sworn, says that (s)he is the ASSISTANT FLEET MANAGER of Watco Companies, L.L.C., that said instrument was signed on behalf of said company by authority of its Management Committee, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

(SEAL)

[Signature]  
Signature of Notary Public

My Commission Expires 7-5-2015



APR 06 '12 -2 00 PM

MEMORANDUM OF LEASE

SURFACE TRANSPORTATION ~~2012~~

This Memorandum of Lease is dated as of January 9, 2012 (the "Memorandum"), by and between Transportation Alliance Leasing LLC, a Utah limited liability company ("Lessor"), and Watco Companies, L.L.C., a Delaware limited liability company ("Lessee")

The parties to this Memorandum hereby acknowledge, agree and confirm the following:

1. Lessor has leased eighty (80) railroad cars to Lessee (the "Subject Cars") pursuant to (a) the Lease Agreement between Lessor and Lessee, dated for reference purposes only as of January 9, 2012, as amended, (b) Delivery and Acceptance Certificate #1 to Schedule # 001, (c) Delivery and Acceptance Certificate #2 to Schedule # 002, (d) Delivery and Acceptance Certificate #3 to Schedule # 003, and (e) Delivery and Acceptance Certificate #4 to Schedule # 003.

2. The Subject Cars are described on Schedule 1 hereto

3. The purpose of this Memorandum is to record notice and evidence of the lease of the Subject Cars by Lessee, and to clarify the prior railroad marks of the Subject Cars.

4. This Memorandum may be executed in counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, each of the parties hereto has caused this Memorandum to be executed by their duly authorized officers as of the date first written above

Transportation Alliance Leasing LLC

By: [Signature] (SEAL)

Name: Stephan S. Parker

Title: V.P.

Watco Companies, LLC

By: [Signature] (SEAL)

Name: Toled E Poland

Title: General Director, Car Acct + Fleet Mgmt.

State of Utah )

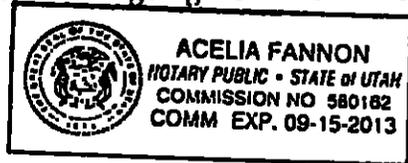
SS

County of Weber )

On this 5th day of April, 2012 before me personally appeared Stephen S. Parker (name of signor), to me personally known, who being by me duly sworn, says that (s)he is the VP (title of office) of Transportation Alliance leasing LLC (name of company), that said instrument was signed and sealed on behalf of said company by authority of its Management Committee, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

(SEAL)

[Handwritten Signature]  
\_\_\_\_\_  
Signature of Notary Public



My Commission expires 9.15.13

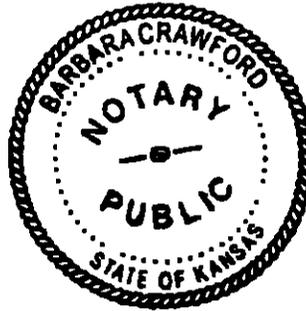
State of Kansas )  
County of Crawford )<sup>SS</sup>

On this 4 day of April, 2012 before me personally appeared Todd E Poland (name of signor), to me personally known, who being by me duly sworn, says that (s)he is the <sup>General Director -</sup> ~~or~~ First Mgr. (title of office) of Utes Company, LLC (name of company), that said instrument was signed and sealed on behalf of said company by authority of its Management Committee, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

(SEAL)

Barbara Crawford  
Signature of Notary Public

My Commission expires 7-5-2015



**SCHEDULE 1  
SUBJECT CARS**

Eighty (80) Steel Gondolas, as described below.

	<b>Prior Car Marks (AIGX/SOXX)</b>	<b>Current Lessor Car Marks (TABX)</b>	<b>Current Lessee Car Marks (WAMX)</b>
1.	AIGX 400121/SOXX 400121	TABX 400121	WAMX 400121
2.	AIGX 400122	TABX 400122	WAMX 400122
3.	AIGX 400123/SOXX 400123	TABX 400123	WAMX 400123
4.	AIGX 400124/SOXX 400124	TABX 400124	WAMX 400124
5.	AIGX 400125/SOXX 400125	TABX 400125	WAMX 400125
6.	AIGX 400126/SOXX 400126	TABX 400126	WAMX 400126
7.	AIGX 400127	TABX 400127	WAMX 400127
8.	AIGX 400129/SOXX 400129	TABX 400129	WAMX 400129
9.	AIGX 400130	TABX 400130	WAMX 400130
10.	AIGX 400131	TABX 400131	WAMX 400131
11.	AIGX 400132	TABX 400132	WAMX 400132
12.	AIGX 400133/SOXX 400133	TABX 400133	WAMX 400133
13.	AIGX 400134/SOXX 400134	TABX 400134	WAMX 400134
14.	AIGX 400135	TABX 400135	WAMX 400135
15.	AIGX 400136/SOXX 400136	TABX 400136	WAMX 400136
16.	AIGX 400137	TABX 400137	WAMX 400137
17.	AIGX 400138	TABX 400138	WAMX 400138
18.	AIGX 400139/SOXX 400139	TABX 400139	WAMX 400139
19.	AIGX 400140/SOXX 400140	TABX 400140	WAMX 400140
20.	AIGX 400141/SOXX 400141	TABX 400141	WAMX 400141

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21.	AIGX 400142/SOXX 400142	TABX 400142	WAMX 400142
22.	AIGX 400143/SOXX 400143	TABX 400143	WAMX 400143
23.	AIGX 400144/SOXX 400144	TABX 400144	WAMX 400144
24.	AIGX 400145/SOXX 400145	TABX 400145	WAMX 400145
25.	AIGX 400147/SOXX 400147	TABX 400147	WAMX 400147
26.	AIGX 400148/SOXX 400148	TABX 400148	WAMX 400148
27.	AIGX 400149/SOXX 400149	TABX 400149	WAMX 400149
28.	AIGX 400150/SOXX 400150	TABX 400150	WAMX 400150
29.	AIGX 400153/SOXX 400153	TABX 400153	WAMX 400153
30.	AIGX 400154/SOXX 400154	TABX 400154	WAMX 400154
31.	AIGX 400155/SOXX 400155	TABX 400155	WAMX 400155
32.	AIGX 400156/SOXX 400156	TABX 400156	WAMX 400156
33.	AIGX 400157	TABX 400157	WAMX 400157
34.	AIGX 400158/SOXX 400158	TABX 400158	WAMX 400158
35.	AIGX 400159	TABX 400159	WAMX 400159
36.	AIGX 400160/SOXX 400160	TABX 400160	WAMX 400160
37.	AIGX 400161	TABX 400161	WAMX 400161
38.	AIGX 400162	TABX 400162	WAMX 400162
39.	AIGX 400163/SOXX 400163	TABX 400163	WAMX 400163
40.	AIGX 400164	TABX 400164	WAMX 400164
41.	AIGX 400165	TABX 400165	WAMX 400165
42.	AIGX 400166	TABX 400166	WAMX 400166
43.	AIGX 400167/SOXX 400167	TABX 400167	WAMX 400167
44.	AIGX 400168	TABX 400168	WAMX 400168
45.	AIGX 400169/SOXX 400169	TABX 400169	WAMX 400169

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46	AIGX 400170	TABX 400170	WAMX 400170
47	AIGX 400171	TABX 400171	WAMX 400171
48	AIGX 400172	TABX 400172	WAMX 400172
49	AIGX 400173/SOXX 400173	TABX 400173	WAMX 400173
50	AIGX 400175/SOXX 400175	TABX 400175	WAMX 400175
51	AIGX 400176	TABX 400176	WAMX 400176
52	AIGX 400177/SOXX 400177	TABX 400177	WAMX 400177
53	AIGX 400178	TABX 400178	WAMX 400178
54.	AIGX 400179/SOXX 400179	TABX 400179	WAMX 400179
55.	AIGX 400180	TABX 400180	WAMX 400180
56.	AIGX 400181	TABX 400181	WAMX 400181
57.	AIGX 400182/SOXX 400182	TABX 400182	WAMX 400182
58.	AIGX 400183/SOXX 400183	TABX 400183	WAMX 400183
59	AIGX 400184/SOXX 400184	TABX 400184	WAMX 400184
60	AIGX 400185/SOXX 400185	TABX 400185	WAMX 400185
61	AIGX 400186/SOXX 400186	TABX 400186	WAMX 400186
62	AIGX 400187/SOXX 400187	TABX 400187	WAMX 400187
63	AIGX 400188/SOXX 400188	TABX 400188	WAMX 400188
64	AIGX 400189/SOXX 400189	TABX 400189	WAMX 400189
65	AIGX 400190/SOXX 400190	TABX 400190	WAMX 400190
66.	AIGX 400191/SOXX 400191	TABX 400191	WAMX 400191
67	AIGX 400192/SOXX 400192	TABX 400192	WAMX 400192
68.	AIGX 400193	TABX 400193	WAMX 400193
69	AIGX 400194/SOXX 400194	TABX 400194	WAMX 400194
70.	AIGX 400195/SOXX 400195	TABX 400195	WAMX 400195

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71	AIGX 400196/SOXX 400196	TABX 400196	WAMX 400196
72	AIGX 400197/SOXX 400197	TABX 400197	WAMX 400197
73.	AIGX 400198/SOXX 400198	TABX 400198	WAMX 400198
74.	AIGX 400199/SOXX 400199	TABX 400199	WAMX 400199
75.	AIGX 400200/SOXX 400200	TABX 400200	WAMX 400200
76.	AIGX 400201/SOXX 400201	TABX 400201	WAMX 400201
77.	AIGX 400202/SOXX 400202	TABX 400202	WAMX 400202
78	AIGX 400203/SOXX 400203	TABX 400203	WAMX 400203
79.	AIGX 400204	TABX 400204	WAMX 400204
80.	AIGX 400206/SOXX 400206	TABX 400206	WAMX 400206

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**CERTIFICATION**

State of Utah            )  
                                  ss  
County of Salt Lake )

The notary public, identified below, hereby certifies that it has compared the foregoing copy of the Memorandum of Lease, by and between Transportation Alliance Leasing LLC and Watco Companies, L.L.C., dated as of January 9, 2012, to the original of such document, and has found the copy to be complete and identical in all respects to the original document.

(SEAL)



Signature of Notary Public

A handwritten signature in black ink, appearing to read 'Acelia Fannon', written over a horizontal line.

Date: 4.5.2012

My Commission expires. 9.15.2013

**AMENDMENT TO LEASE AGREEMENT  
AND SCHEDULE NUMBER 001**

This Amendment to Lease Agreement and Schedule Number 001 ("Amendment") is dated as of FEB 10<sup>th</sup>, 2012, by and between Transportation Alliance Leasing LLC, a Utah limited liability company ("Lessor") and Watco Companies, L.L.C., a Delaware limited liability company ("Lessee")

WHEREAS, Lessor and Lessee, with respect to the lease of certain rail cars, entered into a Lease Agreement, dated for reference purposes only, as of January 9, 2011 ("Lease Agreement") and a Schedule Number 001, dated for reference purposes as of December 9, 2011 ("Schedule 001");

WHEREAS, the "January 9, 2011" reference date for the Lease Agreement (the "Lease Reference Date") was intended to read "January 9, 2012".

WHEREAS, the parties now desire to amend the Lease Agreement and Schedule Number 001 to reflect the correct Lease Reference Date

NOW THEREFORE, in consideration of the premises and mutual promises set forth herein, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties hereby agree as follows:

- 1 The reference to "as of January 9, 2011" in the first paragraph of the Lease Agreement shall be replaced with the words "as of January 9, 2012".
- 2 The reference to "as of January 9, 2011" in the first paragraph of Schedule 001 shall be replaced with the words "as of January 9, 2012".
- 3 All other provisions of the Lease Agreement and Schedule 001 remain unaffected by this Amendment and continue to be of full force and effect.
- 4 This Amendment may be executed in counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, have caused this Amendment to be duly executed with the respective signatures below as of the date set forth above

Transportation Alliance Leasing, LLC

Watco Companies, LLC

By: *Gary Harding*

By: *[Signature]*

Name: *Gary Harding*

Name: *Bryan P. Pitts*

Title: *Transportation Alliance Bank Inc.,*  
*Manager*

Title: *Asst. Mgr. Fleet*

**CERTIFICATION**

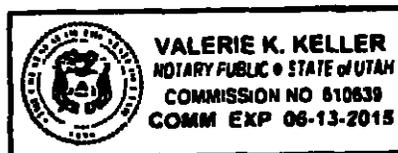
State of UTAH )

County of WOBER ) ss

The notary public, identified below, hereby certifies that he/she has compared the foregoing copies of the Amendment to Lease Agreement and Schedule Number 001, by and between Watco Companies, L.L.C., and Transportation Alliance Leasing, LLC, dated January 9, 2012, to the original of such documents, and has found the copies to be complete and identical in all respects to the original document

(SEALED)  
Valerie K. Keller  
Signature of Notary Public

My Commission expires 06-13-2015



**AMENDMENT TO LEASE AGREEMENT  
AND SCHEDULE NUMBER 003**

This Amendment to Lease Agreement and Schedule Number 003 ("Amendment") is dated as of March 15<sup>th</sup>, 2012, by and between Transportation Alliance Leasing LLC., a Utah limited liability company ("Lessor") and Watco Companies, L.L.C., a Delaware limited liability company ("Lessee").

WHEREAS, Lessor and Lessee, with respect to the lease of certain rail cars, entered into a Lease Agreement, dated for reference purposes only, as of January 9, 2012 ("Lease Agreement") and a Schedule Number 003, dated for reference purposes as of February 23, 2012 ("Schedule 003"),

WHEREAS, Lessor and Lessee commenced the initial lease term on the Lease Commencement Date, February 28, 2012, covering seventy-nine (79) Cars;

WHEREAS, prior to the Lease Commencement Date, Lessor attempted to acquire and purchase one (1) Car ("Car #80") from third party Flagship Rail Services, LLC but was unable to obtain delivery of the Car by the Lease Commencement Date,

WHEREAS, Lessee desires that Car #80 be added to the other seventy-nine (79) Cars under the Lease Agreement;

WHEREAS, the parties now desire to amend the Lease Agreement and Schedule Number 003 to reflect the addition of the one (1) Car to the Lease Agreement and Schedule 003

NOW THEREFORE, in consideration of the premises and mutual promises set forth herein, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties hereby agree as follows.

1 The lease of Car #80 shall be governed by the Lease Agreement and Schedule Number 003.

2. Notwithstanding anything to the contrary in the Lease Agreement or Schedule Number 003, including that the initial lease term shall begin on the Lease Commencement Date, Lessee agrees to pay rent to Lessor for Car #80 in the amount of \$255 per month pro-rated from the Lessor's Acquisition Date through the last day of March 2012. Thereafter, starting on April 1, 2012, and on the first day of every month during the initial lease term, Lessee shall pay rent for Car #80 in accordance with Schedule Number 003 through the Lease Termination Date.

3. All other provisions of the Lease Agreement and Schedule 003 remain unaffected by this Amendment and continue to be of full force and effect

4. This Amendment may be executed in counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, have caused this Amendment to be duly executed with the respective signatures below as of the date set forth above.

LESSOR:

TRANSPORTATION ALLIANCE LEASING LLC

By: [Signature]

Title: MANAGER

State of UTAH

ss

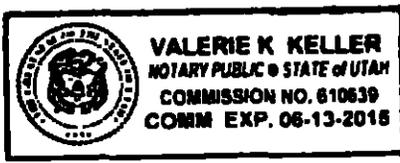
County of WEBER

On this 15<sup>th</sup> day of MARCH, 2012 before me personally appeared JEFF BELL to me personally known, who being by me duly sworn, says that (s)he is the MANAGER of Transportation Alliance Leasing LLC., that said instrument was signed on behalf of said company by authority of its Management Committee, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

(SEAL)

[Signature: Valerie K. Keller]

Signature of Notary Public



My Commission Expires 06-13-2015

LESSEE:

WATCO COMPANIES, L L.C.

By: [Signature]

Title ASST FLEET MANAGER

State of Kansas

SS

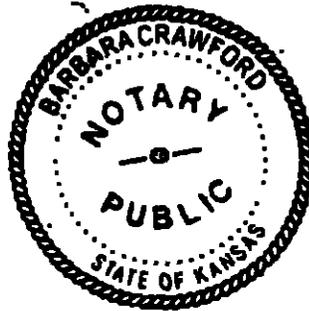
County of Crawford

On this 14 day of March, 2012 before me personally appeared Brian Pitts, to me personally known, who being by me duly sworn, says that (s)he is the Asst. Fleet Manager of Watco Companies, L L C., that said instrument was signed on behalf of said company by authority of its Management Committee, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

(SEAL)

Barbara Crawford

Signature of Notary Public



My Commission Expires 7-5-2015

**Lease Agreement (the "Lease") dated as of 01/09/12 between TRANSPORTATION ALLIANCE LEASING LLC (Lessor) and WATCO COMPANIES, L.L.C (Lessee)  
Delivery and Acceptance Certificate # 1 to  
Schedule # 001**

**Equipment Acceptance:** The Lessee hereby certifies that the Cars, as set forth in the attached Exhibit A and included in Exhibit B to the Lease, have been delivered to Lessee immediately upon Lessor's Acquisition Date of the Cars. The Cars have been accepted as is, where is by Lessee and accepted as Cars under the Lease as of Lessor's Acquisition Date. The "Lessor's Acquisition Date" shall be the date of the Bill of Sale between the seller of the Cars and the Lessor.

Lessee agrees that Lessor will have 60 days from the date of this Delivery and Acceptance Certificate # 1 to inspect the Cars. Upon such inspection, if Lessor determines in its reasonable discretion, that any Cars are not in a condition reasonably similar to the following six (6) Cars listed below, which were previously inspected by Lessee, then Lessor may require Lessee to complete any necessary repairs at Lessee's expense.

SOXX 400162  
SOXX 400201  
SOXX 400183  
SOXX 400199  
SOXX 400163  
SOXX 400172

Lessee hereby confirms the acceptance of the Cars under this Certificate #1 and the Lessee hereby represents and warrants that the Lease is in full force and effect, there have been no defaults there under, the Cars are in good order and repair and there are no agreements between Lessor and Lessee other than the Lease and the Schedule which cover the leasing of the Cars.

**LESSEE: WATCO COMPANIES, L.L.C.**

By:   
Name: BRYAN PITTS  
Title: ASST FLEET MGR  
Date: 1/12/2012

**EXHIBIT A  
TO DELIVERY AND ACCEPTANCE CERTIFICATE #1  
LIST OF CARS**

Description fifty (50), ACF Industries, 1980 built, 4,240 cubic foot rotary Steel Gondolas. 263  
GRL. AAR Code J12

**Current Road and Reporting Numbers**

1	SOXX 400121	18	SOXX 400200	35	SOXX 400145
2	SOXX 400123	19	SOXX 400202	36	SOXX 400147
3	SOXX 400124	20	SOXX 400203	37	SOXX 400148
4	SOXX 400126	21	SOXX 400136	38	SOXX 400149
5	SOXX 400129	22	SOXX 400156	39	SOXX 400153
6	SOXX 400142	23	SOXX 400163	40	SOXX 400158
7	SOXX 400143	24	SOXX 400183	41	SOXX 400160
8	SOXX 400150	25	SOXX 400188	42	SOXX 400177
9	SOXX 400154	26	SOXX 400192	43	SOXX 400179
10	SOXX 400155	27	SOXX 400195	44	SOXX 400182
11	SOXX 400167	28	SOXX 400196	45	SOXX 400184
12	SOXX 400169	29	SOXX 400199	46	SOXX 400187
13	SOXX 400175	30	SOXX 400201	47	SOXX 400190
14	SOXX 400185	31	SOXX 400125	48	SOXX 400191
15	SOXX 400186	32	SOXX 400133	49	SOXX 400198
16	SOXX 400194	33	SOXX 400134	50	SOXX 400206
17	SOXX 400197	34	SOXX 400140		

CERTIFICATION

State of UTAH

County of WEBER

SS

The notary public, identified below, hereby certifies that he/she has compared the foregoing copies of the Delivery and Acceptance Certificate # 1 to Schedule # 001, by and between Watco Companies, L.L.C., and Transportation Alliance Leasing, LLC, dated January 9, 2012, to the original of such documents, and has found the copies to be complete and identical in all respects to the original document.

(SFAL)

Valerie K Keller

Signature of Notary Public

My Commission expires 06-13-2015



Delivery and Acceptance Certificate #2

Lease Agreement (the "Lease") dated as of 01/09/12 between TRANSPORTATION ALLIANCE LEASING LLC. (Lessor) and WATCO COMPANIES, L.L.C. (Lessee)  
Delivery and Acceptance Certificate # 2 to  
Schedule # 002

Equipment Acceptance The Lessee hereby certifies that the Cars, as set forth in the attached Exhibit A and included in Exhibit B to the Lease, have been delivered to Lessee immediately upon Lessor's Acquisition Date of the Cars. The Cars have been tested and inspected by Lessee, found to be in good working order and condition, and are accepted as Cars under the lease as of Lessor's Acquisition Date. The "Lessor's Acquisition Date" shall be the date of the Bill of Sale between the seller of the Cars and the Lessor.

Lessee hereby confirms the acceptance of the Cars under this Certificate #2 and the Lessee hereby represents and warrants that the Lease is in full force and effect, there have been no defaults there under, the Cars are in good order and repair and there are no agreements between Lessor and Lessee other than the Lease and the Schedules which cover the leasing of the Cars.

Watco Companies, L L C.

By [Signature]

Name: Bryan Pitts

Title: Asst Mgr Fleet

State of Kansas

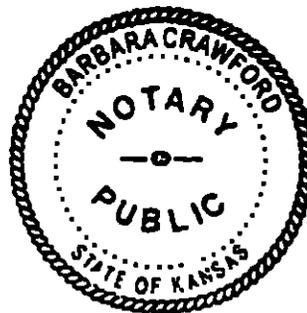
County of Crawford ss

On this 3 day of February, 2012 before me personally appeared Bryan Pitts, to me personally known, who being by me duly sworn, says that (s)he is the Asst. Mgr. Fleet of Watco Companies, L.L.C., that said instrument was signed on behalf of said company by authority of its Management Committee, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

(SEAL)

[Signature]  
Signature of Notary Public

My Commission Expires 7-5-2015



**Delivery and Acceptance Certificate #2**

**Exhibit A  
TO DELIVERY AND ACCEPTANCE CERTIFICATE #2  
LIST OF CARS**

**Description: fifteen (15), ACF Industries, 1980 built, 4,240 cubic feet rotary Steel Gondolas, 263 GRL, AAR Code J12**

- 1. AIGX 400127**
- 2 AIGX 400131**
- 3. AIGX 400132**
- 4 AIGX 400135**
- 5 AIGX 400137**
- 6 AIGX 400164**
- 7 AIGX 400171**
- 8 AIGX 400176**
- 9 AIGX 400178**
- 10 AIGX 400180**
- 11 SOXX 400139, Formerly registered as AIGX 400139**
- 12 SOXX 400141, Formerly registered as AIGX 400141**
- 13. SOXX 400144, Formerly registered as AIGX 400144**
- 14. SOXX 400173, Formerly registered as AIGX 400173**
- 15. SOXX 400189, Formerly registered as AIGX 400189**

CERTIFICATION

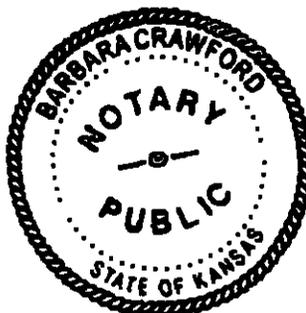
State of Kansas  
County of Crawford ss

The notary public, identified below, hereby certifies that he/she has compared the foregoing copies of the Schedule Number 002 and Delivery and Acceptance #2, by and between Watco Companies, L.L.C., and Transportation Alliance Leasing, L.L.C., dated Feb, 3, 2012, to the original of such documents, and has found the copies to be complete and identical in all respects to the original document

(SEAL)

Barbara Crawford  
Signature of Notary Public

My Commission Expires 7-5-2015



Delivery and Acceptance Certificate #3

Lease Agreement (the "Lease") dated as of 01/09/12 between TRANSPORTATION ALLIANCE LEASING LLC. (Lessor) and WATCO COMPANIES, L.L.C. (Lessee)  
Delivery and Acceptance Certificate #3 to  
Schedule Number 003

Equipment Acceptance: The Lessee hereby certifies that the Cars, as set forth in the attached Exhibit A and included in Exhibit B to the Lease, have been delivered to Lessee immediately upon Lessor's Acquisition Date of the Cars. The Cars have been tested and inspected by Lessee, found to be in good working order and condition, and are accepted as Cars under the lease as of Lessor's Acquisition Date. The "Lessor's Acquisition Date" shall be the date of the Bill of Sale between the seller of the Cars and the Lessor.

Lessee hereby confirms the acceptance of the Cars under this Certificate #3 and the Lessee hereby represents and warrants that the Lease is in full force and effect, there have been no defaults there under, the Cars are in good order and repair and there are no agreements between Lessor and Lessee other than the Lease and the Schedules which cover the leasing of the Cars.

Watco Companies, L.L.C.

By 

Name. BRYAN PITTS

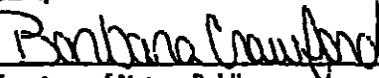
Title. ASST FLEET MANAGER

State of Kansas

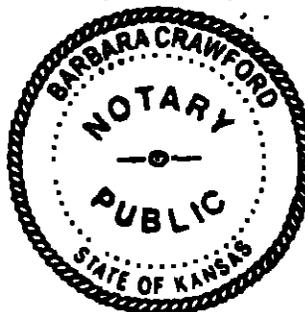
County of Crawford ss

On this 27 day of February, 2012 before me personally appeared Bryan Pitts to me personally known, who being by me duly sworn, says that (s)he is the Asst Fleet Manager of Watco Companies, L.L.C., that said instrument was signed on behalf of said company by authority of its Management Committee, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

(SEAL)

  
Signature of Notary Public

My Commission Expires 7-5-2015



**Delivery and Acceptance Certificate #3**

**Exhibit A  
TO DELIVERY AND ACCEPTANCE CERTIFICATE #3  
LIST OF CARS**

**Description: fourteen (14), ACF Industries, 1980 built, 4,240 cubic feet rotary Steel Gondolas, 263 GRL,  
AAR Code J12**

- 1 AIGX 400122**
- 2. AIGX 400130**
- 3. AIGX 400138**
- 4. AIGX 400157**
- 5. AIGX 400159**
- 6 AIGX 400161**
- 7 AIGX 400162**
- 8. AIGX 400166**
- 9. AIGX 400168**
- 10. AIGX 400170**
- 11. AIGX 400172**
- 12. AIGX 400181**
- 13. AIGX 400193**
- 14. AIGX 400204**

CERTIFICATION

State of Kansas

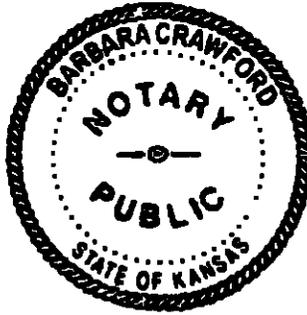
County of Crawford ss

The notary public, identified below, hereby certifies that he/she has compared the foregoing copies of the Schedule Number 003 and Delivery and Acceptance #3, by and between Watco Companies, L.L.C., and Transportation Alliance Leasing I.L.C., dated Feb, 27, 2012, to the original of such documents, and has found the copies to be complete and identical in all respects to the original document

(SEAL)

Barbara Crawford  
Signature of Notary Public

My Commission Expires 7-5-2015



Delivery and Acceptance Certificate #4

Lease Agreement (the "Lease") dated as of 01/09/12 between TRANSPORTATION ALLIANCE LEASING LLC. (Lessor) and WATCO COMPANIES, L.L.C. (Lessee)  
Delivery and Acceptance Certificate #4 to  
Schedule Number 003

Equipment Acceptance: The Lessee hereby certifies that the Cars, as set forth in the attached Exhibit A and included in Exhibit B to the Lease, have been delivered to Lessee immediately upon Lessor's Acquisition Date of the Cars. The Cars have been tested and inspected by Lessee, found to be in good working order and condition, and are accepted as Cars under the lease as of Lessor's Acquisition Date. The "Lessor's Acquisition Date" shall be the date of the Bill of Sale between the seller of the Cars and the Lessor.

Lessee hereby confirms the acceptance of the Cars under this Certificate #4 and the Lessee hereby represents and warrants that the Lease is in full force and effect, there have been no defaults there under, the Cars are in good order and repair and there are no agreements between Lessor and Lessee other than the Lease and the Schedules which cover the leasing of the Cars.

Watco Companies, L.L.C.

By: [Signature]

Name: SEYAN PITT

Title: ASST FLEET MGR

State of Kansas

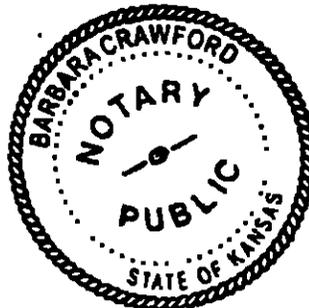
County of Crawford ss

On this 14 day of March, 2012 before me personally appeared SEYAN PITT to me personally known, who being by me duly sworn, says that (s)he is the ASST FLEET MGR of Watco Companies, L.L.C., that said instrument was signed on behalf of said company by authority of its Management Committee, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

(SEAL)

Barbara Crawford  
Signature of Notary Public

My Commission Expires 7-5-2015



**Delivery and Acceptance Certificate #4**

**Exhibit A  
TO DELIVERY AND ACCEPTANCE CERTIFICATE #4  
LIST OF CARS**

**Description: One (1), ACF Industries, 1980 built, 4,240 cubic feet rotary Steel Gondolas, 263 GRL, AAR  
Code J12**

**1 AIGX400165**

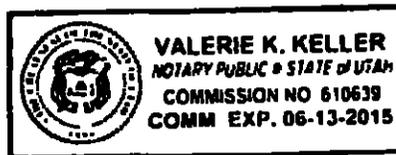
CERTIFICATION

State of UTAH )

County of WEBER ) <sup>SS</sup>

The notary public, identified below, hereby certifies that he/she has compared the foregoing copies of the Amendment to Schedule Number 003 and Delivery and Acceptance #4, by and between Watco Companies, L.L.C, and Transportation Alliance Leasing LLC, dated March, 15, 2012, to the original of such documents, and has found the copies to be complete and identical in all respects to the original document

(SEAL)  
Valerie K Keller  
Signature of Notary Public



My Commission Expires 06-13-2015

**EXHIBIT C**

**PARTICIPATION CERTIFICATE**

**Participant:** FJ Management Inc  
1104 Country Hills Dr  
Ogden, Utah 84403

**Lessee:** Watco Companies, L.L.C  
315 W 3rd Street  
Pittsburg, KS 66762  
Attention: Todd E Poland, General Director, Car Accounting & Fleet Management

**Re:** Railcar Lease, dated January 9, 2012  
Schedule No 1, Schedule No 2, and Schedule No 3

This Participation Certificate evidences that Participant has purchased a Participation interest in the Residual of the Lease of Equipment by Transportation Alliance Leasing LLC to Watco Companies, L.L.C. in the amount of THIRTY-SIX PERCENT (36%), which is the amount of ONE-HUNDRED AND EIGHTY-SEVEN THOUSAND, TWO-HUNDRED AND TWENTY-ONE DOLLARS AND SIXTY-FIVE CENTS (\$187,221.65)

The Interest Rate is the annual rate of NINE PERCENT (9%).

This Participation Certificate is issued pursuant to a Participation Agreement between Transportation Alliance Leasing LLC and Participant, dated December 31, 2012. Capitalized terms herein which are defined in the Participation Agreement shall have the same meaning in this Participation Certificate.

Dated as of: December 31, 2012

**TRANSPORTATION ALLIANCE LEASING LLC**  
By Transportation Alliance Bank Inc., its sole member

By: \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

CERTIFICATE

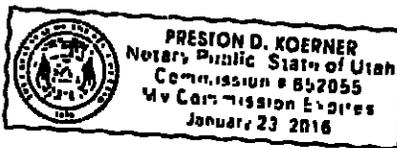
State of Utah )

County of Wasatch<sup>SS</sup>

The notary public, identified below, hereby certifies that it has compared the foregoing copy of the Participation Agreement, by and between FJ Management Inc and Transportation Alliance Leasing LLC, dated December 31, 2012, to the original of such document, and has found the copy to be complete and identical in all respects to the original document

(SEAL)

  
Signature of Notary Public



Date. Jan. 17, 2013

My Commission expires Jan. 23, 2016

CERTIFICATE

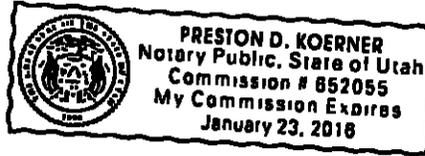
State of Utah )

County of Wasatch<sup>SS</sup>

The notary public, identified below, hereby certifies that it has compared the foregoing copy of the Participation Agreement, by and between FJ Management Inc. and Transportation Alliance Leasing LLC, dated December 31, 2012, to the original of such document, and has found the copy to be complete and identical in all respects to the original document

(SIAL)

  
Signature of Notary Public



Date Jan. 17, 2013

My Commission expires Jan. 23, 2016