



1100 Shawnee Street  
Mount Vernon, Illinois  
(P) 618.241.9270

RECORDATION NO. 32371  
FILED OCTOBER 5, 2016 11:25 AM  
SURFACE TRANSPORTATION BOARD

September 29, 2016

Chief  
Section of Administration  
Office of Proceedings  
Surface Transportation Board  
Washington DC 20423-0001

Re: Rail Equipment Recordation; E-Filing

Dear Section Chief,

I have attached for recordation, pursuant to 49 U.S.C. 11301, one original of a Locomotive Lease Agreement, dated August 23, 2016, a primary document.

The names and addresses of the parties to the enclosed Locomotive Lease Agreement are as follows:

Lessor: National Railway Equipment Co.  
1100 Shawnee Street  
Mt. Vernon, IL 62864

Lessee: Rain CII Carbon LLC  
1330 Greengate Drive  
Suite 300  
Covington, LA

The equipment covered by the Locomotive Lease Agreement is as follows:

One 4 axle, GE B23-7 Locomotive, bearing road # NREX 4272 and one Switcher Locomotive, bearing road # NREX 2531.

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

Locomotive Lease Agreement between National Railway Equipment Co. (Lessor) and Rain CII Carbon, LLC (Lessee), dated August 23, 2016, for the lease of one 4 axle, GE B23-7 Locomotive, bearing road # NREX 4272 and one Switcher Locomotive, bearing road # NREX 2531.

Attached please find a credit card authorization form in the amount of \$45.00 to cover the E-Filing fees for recordation of the attached Locomotive Lease.



1100 Shawnee Street  
Mount Vernon, Illinois  
(P) 618.241.9270

Please return a date-stamped copy of the Locomotive Lease Agreement to:

Becky Burton  
National Railway Equipment Co.  
1101 Broadway  
P.O. Box 1416  
Mt. Vernon, Illinois 62864

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read 'Hal Burgan'. The signature is stylized and cursive, with a large initial 'H' and a long, sweeping underline.

Hal Burgan  
General Counsel



## LOCOMOTIVE LEASE AGREEMENT

THIS LOCOMOTIVE LEASE AGREEMENT ("Lease") is entered into as of this 23 day of August 2016, between National Railway Equipment Co., 1100 Shawnee, Mt. Vernon IL, an Illinois corporation, ("Lessor"), and Rain CII Carbon LLC, 1330 Greengate Drive, Suite 300, Covington, LA, a Louisiana Limited Liability Company ("Lessee").

### LESSOR AND LESSEE HEREBY AGREE AS FOLLOWS:

1. **LEASE AND LEASED PROPERTY.** Lessee hereby leases from Lessor, the locomotives ("Locomotive", or "Locomotives"), together with the parts, accessories, attachments and devices, if any, now or hereafter affixed thereto, as described in Schedule "A," attached to this Lease and made part hereof, for use at Lessee's facility located at 11195 E. 950<sup>th</sup> Ave., Robinson, IL (the "Facility").

2. **TERM.** The term of this Lease shall be for 36 months, commencing on the date the Switcher Locomotive (set forth in Schedule "A", which is attached hereto and incorporated by reference) is delivered to Lessee's facility ("Commencement Date").

### 3. RENTAL

A. The rent payable for each Locomotive shall be the sums identified in Schedule "A." Rent shall be payable in advance monthly installments, without demand. The first month's rent shall be paid upon Lessee's execution of this Lease. Lessee shall operate such Locomotive(s) in service only on its railroad located on its Facility. If the Commencement Date for any Locomotive does not fall on the first day of the month, the first rental payment shall be prorated accordingly.

B. Payments past due for more than thirty (30) days shall bear interest at the rate of one and one-half percent (1.5%) per month.

C. All rentals shall be paid to Lessor via ACH or wire at:

The Private Bank  
Bank Address: 120 South LaSalle, Chicago, Illinois 60603  
ABA No.: 071006486  
Account No.: 2270651  
Account Name: NRE

or at such other address as Lessor may direct in writing.

4. **TAXES.** Lessee shall pay all sales, use, excise, ad valorem, stamp, documentary

and similar taxes on or relating to this lease of the Locomotive(s), or the use, registration, rental, maintenance, possession or operation thereof, and shall file any returns required therefore.

**5. OWNERSHIP AND INSPECTION.** The Locomotive(s) shall at all times remain the property of Lessor. Upon reasonable notice to Lessee, Lessor or its agents shall have reasonable access to the Locomotive(s) at reasonable times for the purpose of inspections. No material accessions, additions, alterations or improvements to the Locomotive(s) shall be made without Lessor's consent, but if any are made, they immediately shall become part of the Locomotive(s) and shall become Lessor's property. Lessee shall keep the Locomotive(s), at all times, free and clear from all claims, liens and encumbrances. This Lease is intended to be a true lease of the Locomotive(s) and is not, and in no way shall be construed as creating, a sale of the Locomotive(s) to Lessee.

**6. DELIVERY / RETURN.** Lessee shall accept delivery of the Locomotive(s) in good working order at Lessee's Facility. Upon expiration or other termination of this Lease, Lessee shall return such Locomotive(s) to Lessor at Lessor's Dixmoor IL or Mt. Vernon IL facilities ("Return Location"), as designated in Schedule "A," in good order and condition, ordinary wear and tear excepted. Lessee shall pay or reimburse Lessor for any reasonable and ordinary expenses incurred by Lessor in returning the Locomotive(s) to good order and condition, ordinary wear and tear excepted. All obligations of Lessee under this Lease for each Locomotive shall continue until each Locomotive is returned to the Return Location in accordance herewith including, without limitation, the obligation to pay rent (unless otherwise specified in the attached Schedule A).

**7. WARRANTY AND DISCLAIMER.** Lessee hereby acknowledges that Lessee will inspect the Locomotive(s) after delivery of same, and that acceptance of delivery of the Locomotive(s) by Lessee constitutes acknowledgement that they have been received in good working order. Such acceptance or rejection, as the case may be, shall occur within two (2) Business days after delivery has occurred. **LESSOR HEREBY WARRANTS AND REPRESENTS THAT IT HAS GOOD TITLE TO ALL LOCOMOTIVES PROVIDED TO LESSEE UNDER THIS LEASE, THAT LOCOMOTIVES ARE DELIVERED IN GOOD AND WORKING ORDER UPON DELIVERY, THAT ALL MAINTENANCE AND OTHER WORK PERFORMED BY LESSOR ON ANY LOCOMOTIVES PRIOR TO DELIVERY TO LESSEE'S FACILITY SHALL BE FREE FROM DEFECTS OF WORKMANSHIP AND/OR MATERIAL, AND THAT THE TERMS AND CONDITIONS PURSUANT TO THE "QUALIFIED LOCOMOTIVE LIMITED WARRANTY" ATTACHED HERETO AS SCHEDULE "B" AND INCORPORATED BY REFERENCE ARE AN INTEGRAL PART OF THIS LEASE. LESSOR MAKES NO OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PURPOSE OF THE LOCOMOTIVE and Lessor hereby disclaims all such representations and warranties. NEITHER PARTY SHALL BE RESPONSIBLE FOR ANY CONSEQUENTIAL, INCIDENTAL, OR INDIRECT DAMAGES, INCLUDING LOST PROFITS.**

## **8. USE AND MAINTENANCE.**

A. Lessee shall be responsible and pay for all registrations, certificates, and permits, and all other similar requirements of governmental authorities, whether required to be obtained in the name of the Lessor or Lessee.

B. The Locomotive(s) shall be used and operated only by properly qualified and trained personnel authorized by Lessee.

C. Lessee shall comply with all federal, state, municipal and local laws, ordinances, and rules, and regulations relating to the lease, possession, insuring, use and operation of the Locomotive(s) during the term of this Lease.

D. Lessee shall be solely responsible for the payment of any and all fines, penalties or forfeitures (including without limitation the confiscation of the Locomotive(s)) levied upon or arising out of the use, operation, maintenance or insuring of the Locomotive(s) during the term of this Lease in violation of any law, ordinance, rule, or regulation of any governmental authority.

E. Lessee shall pay all costs, expenses and charges incurred in connection with the maintenance, lease, use and operation of the Locomotive(s), subject to Lessor's representations and warranties in Section 7.

F. Except as subject to Lessor's representations and warranties in Section 7, Lessee shall maintain the Locomotive(s) in good mechanical condition and running order and in compliance with OEM specifications and safety rules and regulations now or hereafter promulgated by applicable governmental authorities.

G. Lessee shall make any filings required by any governmental authority with respect to the possession, lease, use or operation of the locomotive(s).

## **9. INSURANCE / INDEMNIFICATION.**

A. General liability insurance and property insurance providing coverage during the Lease Term, and until the Locomotives are returned to Lessor, in an amount not less than seven million dollars combined single limit per occurrence and ten million dollars in the aggregate shall be provided by Lessee at Lessee's sole expense throughout the Lease Term as to each Locomotive. The insurance policy or policies providing the foregoing coverage shall: i.) be written by an insurance company or companies reasonably satisfactory to Lessor and authorized to transact business in all of the states in which the Locomotive(s) will be used and operated; ii.) protect the interests of Lessor and Lessee, including Lessee's authorized operators, with respect to liability for injuries to or the death of third party persons and damage to or loss of use of property of third persons resulting from the ownership, maintenance, use or operation of the Locomotive(s); iii.) provide by endorsement or otherwise that the coverage shall be primary coverage as to Lessor and show Lessor as additional insured; and iv.) provide that the insurance company or companies issuing such policy or policies shall notify Lessor of any cancellation thereof at least thirty (30) days prior thereto.

B. Lessee, at Lessee's sole expense, shall provide collision and comprehensive physical damage insurance on each Locomotive in the amount of the Agreed Amount, as designated in Schedule "A." The insurance policy or policies providing the foregoing coverages shall be written in standard form by an insurance company reasonably acceptable to Lessor and provide for losses to be payable to Lessor and Lessee as their respective interests may appear.

C. Lessee shall furnish Lessor with a certificate(s) of insurance or other evidence of said insurance coverage.

Lessee assumes liability for, and shall pay when due, and shall defend, indemnify, reimburse, protect and hold each Indemnified Person (defined below) harmless from and against all Claims (defined below), arising out of or relating to: i) the use, lease, operation, maintenance, control, storage, or condition of the Locomotives while at Lessee's facility during the term of this Lease; ii) the falsity of any nontax representation or warranty of Lessee, or; iii) Lessee's failure to comply with the terms of this Lease. The foregoing indemnity shall cover, without limitation, any Claim for Lessee's negligence or strict or absolute liability in tort; provided that Lessee shall not indemnify Lessor for any liability incurred by Lessee as a result of Lessor's negligence or willful misconduct or breach by Lessor of any representation or warranty of Lessor.

Lessor assumes liability for, and shall pay when due, and shall defend, indemnify, reimburse, protect and hold Lessee (including but not limited to its respective successors, assigns, subsidiaries, affiliates, agents, officers, directors, shareholders, and employees) harmless from and against all Claims directly arising out of or relating to Lessor's breach of any representation or warranty of Lessor provided under this Lease.

"Claim" means all liabilities, losses, damages, actions, suits, demands, claims of any kind and nature, (including without limitation claims relating to environmental discharge, cleanup, or compliance), fines, penalties, charges of applicable governmental authorities, licensing fees relating to the Locomotives, damage to or loss of use property, or bodily injury or death of any person (including without limitation any agent or employee of Lessor), and all costs and expenses that are incurred or suffered by an Indemnified Person in connection therewith (including without limitation reasonable attorney's fees and expenses).

"Indemnified Person" means Lessor (including without limitation each of its partners), and each of their respective successors, assigns, subsidiaries, affiliates, agents, officers, directors, shareholders, and employees.

Such indemnities shall continue in full force and effect notwithstanding the expiration or termination of this Lease, for a period not to exceed the applicable statute of limitations.

D. Lessee assumes and agrees to indemnify, protect and hold harmless Lessor, any assignee or successor of Lessor, and their respective employees or agents, from any loss, damage, theft or destruction of any Locomotive while located at Lessee's Facility except to the extent such loss, damage, or destruction is the result of a breach of a representation or warranty of Lessor. In the event of damage to a Locomotive, and to the

extent not caused by a breach of a representation or warranty of Lessor, Lessee shall immediately place the same in good repair (ordinary wear and tear excepted). If Lessor, in the exercise of its reasonable judgment, determines that any Locomotive is lost, stolen, destroyed, damaged beyond repair or rendered permanently unfit for use for any reason, or in the event of condemnation or seizure of a Locomotive (a "Total Loss"), Lessee shall (at Lessor's option) (i) replace such Locomotive with substantially similar equipment of equal or greater value and in good repair and transfer title thereto to Lessor free and clear of any all liens, claims and encumbrances of any kind or nature whatsoever, or (ii) pay Lessor in cash the sum of (a) any installments of rent and other amounts payable by Lessee hereunder with respect to such Locomotive due but unpaid at the date of such Total Loss, plus (b) the Agreed Value of such Locomotive as designated in Schedule "A." Upon payment of such amount to Lessor, such Locomotive shall become the property of Lessee, and Lessor will transfer to Lessee, without recourse or warranty, all of Lessor's right, title and interest therein, and the rent with respect to such Locomotive shall terminate. Lessee shall pay any sales and use taxes due on such transfer or upon any purchase or passage of title to Lessee.

E. If Lessee shall fail to obtain or maintain the insurance coverage required in this Lease, or shall fail to furnish Lessor with evidence thereof, Lessor at its option and after 10 business days' notice to Lessee, may obtain such required insurance coverage on behalf of Lessee at Lessee's expense.

**10. ASSIGNMENT. WITHOUT LESSOR'S PRIOR WRITTEN CONSENT, LESSEE MAY NOT ASSIGN ANY OF ITS RIGHTS UNDER THIS LEASE. ALL ASSIGNMENT OF RIGHTS BY LESSEE (UNLESS APPROVED BY LESSOR OR BY MERGER OR CONSOLIDATION WITH ANOTHER ENTITY OR THE SALE OF ALL OR SUBSTANTIALLY ALL OF ITS ASSETS) ARE PROHIBITED, WHETHER THEY ARE VOLUNTARY OR INVOLUNTARY, DISSOLUTION, OPERATION OF LAW, OR ANY OTHER MANNER. ANY PURPORTED ASSIGNMENT OF RIGHTS BY LESSEE (UNLESS APPROVED BY LESSOR) UNDER THIS LEASE IS VOID.** Lessor may assign its interest in this Lease and grant a security interest in all or any part of the Locomotives without notice to or the consent of Lessee. Lessor and Lessee further agree that no such assignment shall change either party's duties or obligations under this Lease or increase Lessee's risks or burdens, all of which shall remain as set forth herein. Each party to this Lease acknowledges notice of and consents in all respects to, the terms of this Lease.

**11. FINANCIAL DATA.** In an Event of Default by Lessee, upon the written request of Lessor, Lessee shall furnish to Lessor, when reasonably available, copies of Lessee's financial statements.

**12. DEFAULT.** Default under this Lease shall occur upon the happening of any of the following events or conditions, and the failure to cure such event or condition within thirty (30) days after the receipt of written notice of such event or condition ("Event of Default"): default in the payment when due of any installment of rental hereunder, or of any other obligation for the payment of money now or hereafter owed by Lessee to Lessor, or default in the performance of any other liability, obligation, covenant or

agreement in this Lease by either party, or breach by Lessor of any warranty or representation provided by Lessor pursuant to this Lease.

### 13. REMEDIES UPON DEFAULT.

A. Upon the occurrence of any Event of Default or at any time thereafter, the following remedies are available:

i. Lessor may declare all unpaid lease payments to be immediately due and payable.

ii. The non-defaulting party may immediately terminate the Lease of any or all Locomotives by written notice the defaulting party.

iii. In the Event of Default caused by Lessee, Lessor may require that Lessee shall (and Lessee agrees that it shall), upon demand by Lessor and at Lessee's expense, promptly make available to Lessor at Lessee's expense, any or all Locomotives at a place designated by Lessor which is reasonably convenient to both parties.

iv. In the Event of Default caused by Lessee, Lessor may use, hold, sell, lease or otherwise dispose of any or all such Locomotive(s) as Lessor in its sole discretion may decide, without affecting the obligations of Lessee as provided in this Lease.

v. Exercise any and all rights and remedies available under any applicable law. Termination of this Lease by the non-defaulting party does not terminate, limit, or restrict the rights and remedies of either party.

vi. If either party brings an action at law or in equity to enforce any of the terms or conditions of this Lease, the prevailing party shall be entitled to receive, as part of any judgment rendered, its costs incurred in bringing the action, including reasonable attorneys fees.

B. None of the rights and remedies under or referred to is intended to be exclusive, but each such right or remedy shall as to each Locomotive be cumulative and may be availed of separately or concurrently with or in addition to any other right or remedy provided or referred to herein or otherwise available to each party at law or in equity. Any repossession or subsequent sale or lease by Lessor of any Locomotive(s) shall not bar an action against Lessee for a deficiency. To the extent permitted by applicable law, **LESSEE WAIVES ANY AND ALL RIGHTS TO NOTICE AND TO A JUDICIAL HEARING WITH RESPECT TO THE REPOSSESSION OF LOCOMOTIVE BY LESSOR AS A RESULT OF ANY EVENT OF DEFAULT HEREUNDER BY LESSEE.**

C. Without limitation of any rights of either party otherwise existing or otherwise available to that party, it is expressly covenanted and agreed by the parties hereto that in the event of any assignment by operation of law of this Lease, or of a bankruptcy of Lessee within the meaning of the Federal Bankruptcy Act, then Lessor may, at its election, immediately terminate this Lease.

14. **RECORDATION OF LESSOR'S INTEREST.** Lessee agrees to execute and notarize all recording documents reasonably requested and prepared by Lessor to show,

create and perfect Lessor's interest in the Locomotive(s) and to be filed with the Department of Transportation's Surface Transportation Board. Lessee further authorizes Lessor to execute and file financing statements or other similar documents evidencing Lessor's interest in the Locomotive(s) without Lessee's signature.

**15. MISCELLANEOUS.**

**A.** This Lease and all rights and obligations hereunder shall be governed by and construed in accordance with the laws of the State of Illinois, without regard to its conflict of law provisions. Illinois shall be choice of forum for all litigation.

**B.** Neither this Lease nor any schedule shall be amended, and no provision hereof or of any Schedule shall be waived or varied, unless by writing signed by the parties.

**C.** No delay or omission by either party in exercising any right hereunder shall operate as a waiver of such right or any other right. A waiver by a party of any Event of Default by the other party shall not be construed as a waiver of any future occasion.

**D.** In case any provision (or portions thereof) in this lease shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions (or portions thereof) hereby shall not in any way be affected or impaired thereby.

**E.** This Lease shall be binding upon and inure to the benefit of Lessor and Lessee and their respective successors.

**F.** This Lease shall not transfer to either party any interest, right, title, or license in the other party's trade secrets, trademarks, patents, intellectual property, or confidential and proprietary information. Each party retains all interest, right, and title to all its trade secrets, trademarks, patents, intellectual property, and confidential and proprietary information. Lessee shall not analyze, decompile, or reverse engineer, or cause or allow a third party to analyze, decompile or reverse engineer the Locomotives or any part or component of the Locomotives for any purpose.

**G.** All notices permitted or required to be given pursuant to this Lease shall be mailed by Certified or Registered Mail (with return receipt requested), or by email (with delivery confirmation requested) to the parties at the following addresses or at such other addresses as each party may notify each other. Notices shall be considered effective upon the date indicated in the return receipt or delivery confirmation, as appropriate.

To Lessor:

NRE  
Attn: Joe Jackiw  
908 Shawnee  
Mt. Vernon IL 62864

With a copy to:

NRE  
Attn: Hal Burgan  
1101 Broadway  
Mt. Vernon IL 62864  
h.burgan@nre.com

To Lessee:

Mark Blanco  
1330 Greengate Drive, Suite 300  
Covington, La 70433

**16. NREX 4272: ADDITIONAL WORK.**

Lessor, at its cost, shall perform the following work and maintenance on Locomotive Unit NREX 4272, which is currently located Lessee's facility:

- i) Repair air compressor leak.
- ii) Repair and replace bell switch
- iii) Clean MEC
- iv) R/R heaters
- v) R/R HotStart
- vi) Relocate receptacle
- vii) Replace isolation switch
- viii) R/R sanders
- ix) R/R hand brake
- x) Replace EFCO at start station
- xi) Complete 4 hour load test
- xii) Qualification of locomotive
- xiii) Paint locomotive

Following the return of Locomotive NREX 4272 to Lessee, Lessor shall, at its cost, provide training to one shift of Lessee's employees on the operation of Locomotive NREX 4272.

It is expressly understood that all work and maintenance to be performed pursuant to this Section 16 shall be in accordance with the warranties provided by Lessor in Section 7 of this Lease.

The work provided in this Section 16 shall be performed by Lessor within four (4) months of execution of this Lease.

WITNESS WHEREOF, the parties have executed this Lease the day and year first mentioned above.

LESSOR:  
National Railway Equipment Co.

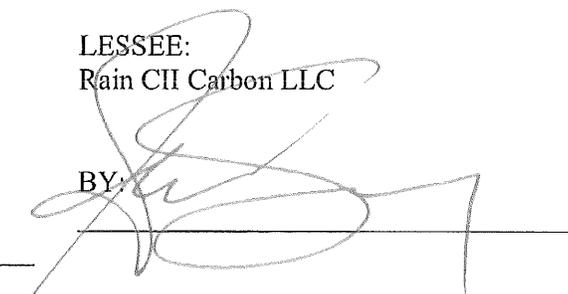
LESSEE:  
Rain CH Carbon LLC

BY:

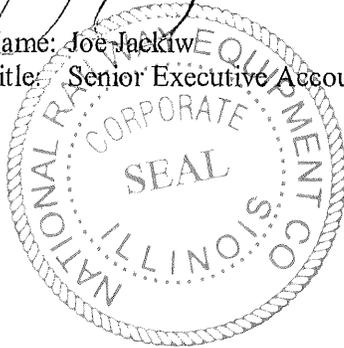


Name: Joe Jackiw  
Title: Senior Executive Account Mgr

BY:



Name: Gerard Sweeney  
Title: President and CEO



**SCHEDULE "A"**

**Locomotive NREX 4272:**

<u>Unit No.</u>	<u>Type</u>	<u>Description</u>	<u>Agreed Amount</u>	<u>Daily Lease Rate</u>
NREX 4272	GE	B23-7 4 axle GP	██████████	██████████

Rental Rate:

The rental rate for Locomotive NREX 4272 shall be \$159 per day. Rental payments for Locomotive NREX 4272 shall begin upon delivery of Locomotive NREX 4272 to Lessee's facility upon the completion of the work described in section 16 of this Lease, and shall cease upon the return of Locomotive NREX 4272 to Lessor's Dixmoor IL or Mt. Vernon IL facility.

Delivery Location and Freight:

Upon delivery of the Switcher Locomotive to Lessee's Facility, Lessor, at its cost and risk, shall deliver Locomotive NREX 4272 to Lessor's Dixmoor IL or Mt. Vernon IL facility. Upon the completion of the work described in section 16 of this Lease, Lessor, at its cost and risk, shall deliver Locomotive NREX 4272 to Lessee's Facility. Upon expiration of the term of this Lease, Lessee, at its cost and risk, shall return the Locomotive from Lessee's Facility to Lessor's Dixmoor IL or Mt. Vernon IL facility.

**Switcher Locomotive:**

<u>Unit No.</u>	<u>Type</u>	<u>Description</u>	<u>Agreed Amount</u>	<u>Daily Lease Rate</u>
NREX2531	Switcher		██████████	██████████

Lease Rate and Term:

The lease rate for the Switcher Locomotive shall be \$159 per day. Lease payments for the Switcher Locomotive shall begin upon delivery of the Switcher Locomotive to Lessee's facility and shall cease when Locomotive NREX 4272 is delivered to Lessee's Facility in accordance with the terms of this Lease.

Delivery Location and Freight:

Lessor, at its cost and risk, shall deliver the Switcher Locomotive to Lessee's Facility upon the execution of this Lease. Upon the completion of the work described in section 16 of this Lease and subsequent delivery by Lessor of Locomotive NREX 4272 to Lessee's facility, Lessee, at its cost and risk, shall return the Switcher Locomotive to Lessor's Dixmoor IL or Mt. Vernon IL facility.

SCHEDULE "B"

**QUALIFIED LOCOMOTIVE LIMITED WARRANTY ("THIS SCHEDULE B WARRANTY")**

1. NRE warrants the crankshaft and AC main alternator (not DC main generator) on Locomotive NREX 4272 to be free of defect in workmanship and material for a period of six (6) months from date of shipment.
2. **THIS SCHEDULE B WARRANTY IS MADE SOLELY TO RAIN CII CARBON LLC EXCLUSIVE AND IN LIEU OF ANY WARRANTY OF MERCHANTABILITY, WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER WARRANTY, EITHER EXPRESS OR IMPLIED, EXCEPT AS EXPRESSLY NOTED IN SECTION 7 OF THE LEASE.**
3. GENERAL EXCLUSIONS, SHALL INCLUDE, BUT NOT BE LIMITED TO:
  - 3.1 THIS SCHEDULE B WARRANTY shall not apply if the parts have been subject to misuse, neglect, accident or have been repaired or altered by any other party besides NRE.
4. The CUSTOMER to recover under THIS SCHEDULE B WARRANTY only must do the following:
  - 4.1 Notify NRE, both verbally and in writing with photographs, to the extent possible, within a reasonable time from discovering the defect in the parts, materials and/or workmanship;
  - 4.2 Wait for authorization from NRE (which shall be provided in a reasonable amount of time) to return the defective part for either repair or replacement; and,
  - 4.3 If the part cannot be returned, NRE shall inspect the defective part no later than 10 business days after receipt of notice of defect. Thereafter, NRE shall either request the part to be returned to NRE's place of business for repair, or NRE, at its discretion, will repair the part on the Customer's premises, as shall be agreed upon between the parties.
5. **NRE SHALL NOT BE RESPONSIBLE FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, INDIRECT DAMAGES OR LOST PROFITS OR REVENUES.**
6. In no event, shall NRE be liable for any breach of warranty in an amount exceeding the total Lease price.
7. THIS SCHEDULE B WARRANTY shall be governed by and interpreted in accordance with the substantive law in force in the State of Illinois, USA, without reference to its conflicts of law. Illinois shall be the choice of forum for all litigation. The United Nations Convention on Contracts for the International Sale of Goods shall not apply.



1100 Shawnee Street  
Mount Vernon, Illinois  
(P) 618.241.9270

I, Hal Burgan, certify that I am the General Counsel of National Railway Equipment Co., that the seal affixed to the forgoing instrument is the corporate seal of said corporation, that the instrument was signed and sealed on behalf of the corporation by the authority of its Board of Directors, and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the corporation. I further state under penalty of perjury that the foregoing is true and correct.

Executed on September 29, 2016

Signature  \_\_\_\_\_

Hal Burgan  
General Counsel  
National Railway Equipment Co.