

**\*Lease prices are subject to change without notification. Please call Sterling Rail for latest lease quotes.**

**Option One** – SW1500 Full Service Locomotive Lease  
(With Maintenance, With Consumables, No Wheels)

Five (5) Year - Per Month per Locomotive - **\$ 7,150.00**

Three (3) Year - Per Month per Locomotive - **\$ 7,450.00**

One (1) Year – Per Month per Locomotive - **\$ 7,750.00**

**Option Two** – SW1500 Locomotive Lease with Maintenance  
(Maintenance Only, No Consumables, No Wheels)

Five (5) Year - Per Month per Locomotive - **\$ 5,150.00**

Three (3) Year - Per Month per Locomotive - **\$ 5,450.00**

One (1) Year – Per Month per Locomotive - **\$ 5,750.00**

**Option Three** – SW1500 NET Locomotive Lease  
(No Maintenance, No Consumables, No Wheels)

Five (5) Year - Per Month per Locomotive- **\$ 3,850.00**

Three (3) Year - Per Month per Locomotive- **\$ 4,150.00**

One (1) Year – Per Month per Locomotive - **\$ 4,450.00**

**GPS Tracking and Recording Options**

Five (5) Year – per Locomotive per Month - **\$100.00**

Three (3) Year – Per Locomotive per Month - **\$165.00**

One (1) Year – Per Locomotive per Month - **\$500.00**

**Clarifications:**

- 1) Options one and two, include supplying four (4) SW1500 locomotive(s) with new paint and no visible internal or external damage.
- 2) Options one and two warranty all major locomotive parts for the duration of the one (1) three (3) or five (5) year lease, unless caused by neglect or misuse on the lessees part.
- 3) Options one and two are based on and include quarterly preventative maintenance inspections.

- 4) Options one, two and three of this lease proposal include 4 hours of training LESSEE's switching personnel in safe and proper operation of the locomotive, along with standard daily inspection practices.
- 5) Options one, two and three of this proposal provide locomotives that have remote control capability, but are not equipped with remote control equipment. Remote control equipment can be added to the lease at the LESSEES expense.
- 6) Options one and two of this proposal are based on performing all preventative maintenance and servicing of consumables Monday-Friday 7:00 A.M. – 4:00 P.M.
- 7) Options two and three of this proposal do not include any labor, equipment or materials for replacing or adding consumables.
- 8) Option three of this proposal is a NET lease. LESSEE is responsible for all maintenance cost associated with the up-keep of the locomotives.
- 9) None of the above options include wheels or associated cost to replace or maintain.
- 10) None of the above options include fuel for the locomotives. Fuel can be provided at our cost plus 15%.
- 11) A pre-lease inspection will be jointly performed by both parties to inspect the condition of the locomotive.
- 12) will provide the services including all labor, equipment and insurance necessary as outlined in the above Proposal Pricing. At the end of each year, pricing will be adjusted annually based on annual changes in the Producer Price Index for Railroad Transportation (Index Code Series ID #PCU482) as published in the U.S. Department of Labor, Bureau of Labor Statistics. In no event shall pricing be adjusted less than 0% per year.
- 13) This Proposal is based on a one (1), three (3) or five (5) year initial agreement with an "Evergreen" clause that would automatically add additional one (1) year terms to the agreement, provided both parties are agreeable. Both parties shall give a 90 day written notice if either chooses to terminate the lease during the Evergreen period.
- 14) Locomotive will be delivered by LESSOR to LESSEE's Railroad at LESSEE's expense. LESSEE will return the locomotive to LESSOR at LESSOR's Baytown, Texas Facility at LESSEE's expense.