

6/27/2018

Estimated Car income for Ozark Mountain Railcar

John,

This letter is a rough representation of KRL 300380 annual revenue potential.

Standard Usage fee per RIC-6740 tariff - \$15,000.00 for 30 day usage, 31+ days = \$400.00 per day.

In an average year we use 6 turns per year as the base line for this car. Car Usage income - \$90,000.00 + \$5,000 for 31+ day usages.

Care Hire Income is currently being accrued at \$3.00 per loaded mile only. Actual car hire generated will depend on shipping lane, but averages are between \$3,000 and \$8,000 per load. In order to generate car hire, this car must remain in railroad marks.

There are other opportunities that the GlobalTranz project team could also assist in locking in term usages/leases. Where we locate a client that wants a dedicated car for multiple months. We typically negotiate these on a case by case basis. These scenarios would be separate from the car usage, but we average \$11,000 to \$13,000 a month for said term usages. We try to keep it to 3 months minimum.

I would estimate the average income potential as follows.

Usage Fees - $\$15,000 \times 6 = \$90,000.00 + \$5,000.00 = \$95,000.00$

Car Hire Income - $\$4,500 \times 6 = \$27,000.00$

Estimated Annual income = \$122,000.00

Upcoming opportunities:

Currently we have this car committed to one of our clients for three months. June, July, and August. We have this under a term usage for \$43,000.00 in revenue. The actual shipment will execute in August and will likely generate \$4,500.00 in car hire.

Globaltranz Projects also has 1 to 2 more loads committed for this car to move in Late Q3 and Q4 of 2018.