

Marmon's Purchase of Tank Cars From GE Capital

Procor Frequently Asked Questions 11/16/2015

Q: What is the effective date of this transaction?

A: The transaction closed on September 30, 2015. Union Tank Car (UTC) and Procor are now to be considered the owner of the rail cars and Lessor under the associated rail car leases.

Q: How many tank cars are involved?

A: Subject to final fleet reconciliations, approximately 25,000 full-service and net-leased tank cars are covered by the transaction, and of this total, about 2,600 cars will be owned by Procor.

Q: How will this transaction affect the leases I now have in place on the cars acquired by Procor?

A: Procor acquired the leases associated with these cars and will honour the terms and conditions of leases now in force.

Q: Will cars acquired need to be stencilled to reflect a new set of reporting marks and car numbers?

A: All former GE cars acquired by Procor will have the reporting marks changed to "PROX". Additionally, certain cars will require renumbering. Customers will be contacted regarding plans specific to the acquired cars in their fleets. When cars have been restencilled, notifications will be automatically distributed by e-mail to the same customer contacts we have on file for shop release notifications.

Q: When a car is restencilled, what happens to the Loading Authority (OT-5) application?

A: When the restencilling of a car occurs and Procor updates Umler[®], the original reporting mark and car number is automatically removed from any Loading Authority (OT-5) applications it is on, and the applications are moved to a System Updated status. The new reporting mark and number, however, does not automatically get added. The lessee must submit the new reporting mark and number to the Loading Authority (OT-5) application.

Q: What happens if I don't review the Loading Authority application and resubmit after a car is restencilled?

A: A restencilling update in Umler[®] will change the Loading Authority application to System Updated status, and that status change will trigger an e-mail from Railinc to the lessee. Submission of the new reporting mark and number is necessary, as railroads have the right to deny movement of an unauthorized car from the loading point. E-mail notifications from Railinc will follow at twenty, forty and sixty days if you do not review the application and resubmit.

Q: Will the existing Rail Car Lease Agreement and Contract Rider(s) I have in place on the car(s) acquired by Procor need to be amended?

A: Over time, Procor plans to standardize to its established Rail Car Lease Agreement and Contract Rider formats. If you have an existing relationship with Procor, contact your Account Manager if you wish to start the process of converting documents over to the Procor formats. In any event, Procor does intend to honour the terms and conditions of the existing Contract Riders now in force until said contract comes to its natural expiration date. As contracts naturally expire, contract renewals will be prepared under Procor's Rail Car Lease Agreement and Contract Rider formats.

Q: How do I know which cars specifically are covered by this transaction?

A: If you are an established user of Procor Link-Net®, access the Riders application from Control Centre. The Riders facility displays a Division field. Cars acquired by Procor are exclusively assigned to Division 6000 series and therefore easy to identify.

Q: I am not currently a Procor Link-Net® user, how do I get an account?

A: If you need an account, there is a link to submit a request at procor.com

Q: Who do I talk to about mechanical data, outage tables, and test records on these cars?

A: We are in the process of rebuilding records for these newly acquired cars. Outage tables are fully available at Procor Link-Net®. To view mechanical records available to date, visit the Single Car Mechanical query facility, accessible from the Procor Link-Net® Control Centre. We are rapidly moving forward to have complete records available to you through our standard system offerings.

Q: What happens to lease renewal quotes which are still in the process of being negotiated?

A: Procor will honour all valid outstanding renewal quotations. Should any of these renewal quotations not be executed prior to the lease expiration date, Procor may choose to requote new terms and conditions.

Q: Who do I talk to about contract renewal negotiations?

A: You can talk to your established Procor Account Manager about contract renewal negotiations.

Q: Who should I talk to about the status of cars in repair shops?

A: Contact your established Procor Account Manager or Customer Service Representative. Procor has been taking over these functions. The seller is in the process of delivering business data to UTC and Procor to allow this to happen.

Q: How will bad order credits be issued for cars in shop as of and since October 1, 2015?

A: All shop records on leased cars will be reviewed on a car-by-car basis for credit applicability, and adjustments will start to appear in subsequent invoicing. The credits will only apply to the period that Procor has owned the cars beginning October 1st for assigned cars in shop. Standard Procor bad order policies will apply. Credits applicable to September 30, 2015 and prior are to be issued by G.E. Railcar Services (GERS).

Q: Who do I talk to if I need to have maintenance work done to any of the cars that were purchased?

A: You can submit a shop request through Procor Link-Net® or contact your Procor Account Manager or Customer Service Representative. Procor became responsible for these functions as of October 1, 2015.

Q: Will I have to shop all these newly acquired tank cars only at Procor repair shops?

A: No, we intend to expand the Procor/UTC repair network with the addition of certain GERS facilities, and we will continue our working relationship with certain third-party contract shop locations.

Q: Car rentals for October were invoiced to me by GERS. To whom and where do I send my payment?

A: By agreement of the parties, you should pay any outstanding invoice amount to the invoicing party. The parties will reconcile between themselves to minimize disruptions in your handling of these payments.

Q: When can I expect that Procor will take over invoicing of monthly car rentals?

A: On November 1, 2015, Procor sent its first car rental invoice pertaining to the acquired cars. The billing period is November 1st through November 30th. Please note that this initial invoice is for the car rental charges only. In the subsequent billings, other charges, such as rental adjustments and bad order allowances, will be included for transactions incurred after September 30, 2015. Any charges prior to October 1st will be processed and invoiced by GERS.