

**OSTER RESEARCHING SERVICES**

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December 31, 2015

Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street, SW  
Washington, D.C. 20423

Dear Section Chief:

Enclosed for recording with the Surface Transportation Board are one original and one counterpart of the document described below to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code:

Security Agreement and Promissory Note dated as of 10/26/15

Lender: Zions Credit Corporation dba CB&T Equipment Finance  
310 S. Main Street, Suite 1300  
Salt Lake City, UT 84101

Borrower: Specialty Sales LLC  
4672 Drummond Avenue  
Fresno, CA 93725

Equipment: 1, Viking Mobile Railcar Mover  
S/N LGN992161012

Please record this agreement as a primary document. The filing fee of \$43 is enclosed.  
Thank you.

Sincerely,



Mary Ann Oster  
Research Consultant

Note No: 0014834002  
Note Date: October 26, 2015

**SECURITY AGREEMENT AND PROMISSORY NOTE**

This Security Agreement and Promissory Note (this "Agreement") is entered into between Specialty Sales LLC (hereinafter referred to as "Borrower") and Zion's Credit Corporation dba CB&T Equipment Finance (hereinafter referred to as "Lender").

1. **PROMISE TO PAY, TERMS AND PLACE OF PAYMENT.** Borrower promises to pay to the order of Lender the sum of \$3,954.89 per month commencing Jan 30, 2016 and on the 30 day of each consecutive month thereafter for a period of 48 months, maturing Dec 30, 2019. Interest shall accrue on the basis of a 360-day year. 0 payments of \$3,954.89 are payable at the time of execution of this Agreement (representing the first and last 0 months payments); In addition, Borrower shall make a payment of \$0.00 on the date the final installment described above is due. All payments shall be made to P. O. Box 26536, Salt Lake City, Utah 84126-0536 or at such other locations Lender may designate. Total amount financed hereunder is \$175,331.23.
2. **GRANT OF SECURITY INTEREST; DESCRIPTION OF COLLATERAL.** Borrower grants to Lender a security interest in the property described below, together with all presently owned and hereafter acquired attachments, accessories, accessions, and additions thereto and replacements and proceeds thereof, including any amounts payable under any insurance policy or eminent domain proceedings (all hereinafter collectively referred to as the "Collateral").
3. **OBLIGATIONS SECURED.** Each item of Collateral shall secure not only the specific obligation referred to in Section 1, but also all other present and future obligations of Borrower to Lender of every kind and nature whatsoever.
4. **USE AND LOCATION OF COLLATERAL.** Borrower warrants and agrees with Lender that the Collateral will be used exclusively for business, commercial or agricultural purposes.

Collateral description and location:

**VIKING MOBILE RAILCAR MOVER S/N LGN99216 1012**  
**4672 E DRUMMOND AVE FRESNO CA 93725-1601**

5. **LATE CHARGES.** Any installment not paid when due shall bear a late charge equal to 5% of the amount of the installment.
6. **LOCATION OF COLLATERAL.** Borrower and Lender agree that the Collateral shall remain personal property of the Borrower and shall not become part of or attached to any real estate. Borrower agrees to keep the Collateral at the location set forth in section 4, and will notify Lender promptly in writing of any change in the location of the Collateral within such State, but will not remove the Collateral from such State without the prior written consent of Lender.
7. **BORROWER'S WARRANTIES AND REPRESENTATIONS.** Borrower warrants and represents:
  - (a) Borrower is justly indebted to Lender for the full amount of the foregoing indebtedness;
  - (b) That, except for the security interest granted hereby, the Collateral is free from and will be kept free from all liens, claims, security interests and encumbrances;
  - (c) That no financing statement covering the Collateral or any proceeds thereof is on file in favor of anyone other than Lender;
  - (d) That all information supplied and statements made by Borrower in any financial, credit or accounting statement or application for credit submitted by or on behalf of Borrower prior to, contemporaneously with or subsequent to the execution of this Agreement with respect to this transaction are and shall be true, correct, valid and genuine; and
  - (e) That Borrower has full authority to enter into this agreement and in so doing it is not violating its charter or by-laws, any law or regulation or agreement with third parties, and it has taken all such action as may be necessary or appropriate to make this Agreement binding upon it.
8. **BORROWER'S AGREEMENTS.** Borrower agrees:
  - (a) To defend Lender, the Collateral, Borrower's interest in the Collateral and Lender's security interest in the collateral at Borrower's own cost and expense, including attorneys' fees, in any action, proceeding, or claim affecting the Collateral;
  - (b) To pay reasonable attorneys' fees and other expenses incurred by Lender in enforcing its rights under this Agreement;
  - (c) To pay promptly all taxes, assessments, license fees and other public or private charges when levied or assessed against the Collateral or this Agreement, and this obligation shall survive the termination of this Agreement;
  - (d) That, if a certificate of title be required or permitted by law, Borrower shall obtain such certificate with respect to the Collateral showing the security interest of Lender thereon and in any event do everything necessary or expedient to preserve or perfect the security interest of Lender;
  - (e) That Borrower will not misuse, fail to keep in good repair or, without the prior written consent of Lender and notwithstanding Lender's claim to proceeds, sell, rent, lend, encumber or transfer any of the Collateral;

- (f) That Lender may enter upon Borrower's premises or wherever the Collateral may be located at any reasonable time to inspect the Collateral and Borrower's books and records pertaining to the Collateral and Borrower shall assist Lender in making such inspection;
- (g) That the security interest granted by Borrower to Lender shall continue effective irrespective of the payment of the amount in section 1, so long as there are any obligations of any kind, including obligations under guaranties or assignments, owed by Borrower to Lender, provided, however, upon any assignment of this Security Agreement and Promissory Note the assignee thereof shall thereafter be deemed, for the purpose of this section, the Lender under this Agreement; and
- (h) At request of Lender, to execute any documents or do any other act necessary to effectuate the purposes and provisions of this Agreement.

9. **INSURANCE AND RISK OF LOSS.** All risk of loss of, damage to or destruction of the Collateral (including theft thereof) shall at all times be on Borrower. Borrower will forthwith procure and maintain public liability insurance, fire insurance, property damage, and physical damage insurance with extended or combined additional coverage on the Collateral for the full insurable value thereof for the life of this Agreement plus such other insurance as Lender may specify, and promptly deliver each policy or certificates evidencing the existence of such insurance to Lender with a standard long form endorsement attached showing loss payable to Lender or its assigns as respective interests may appear. Lender's acceptance of policies in lesser amounts or risks shall not be a waiver of Borrower's foregoing obligation. If any item of Collateral is damaged, but not beyond repair, Borrower at its own cost and expense shall repair such Collateral so that it will be in the same or better condition as it was before the damage occurred. In the event any item of Collateral is replaced for any reason it must be with the prior written consent of Lender. All such items replacing any original item of Collateral shall become immediately subject to the lien of this Agreement as if Borrower owned the items at the time of executing this Agreement. Borrower agrees to execute any documents or UCC financing statements which Lender may require in order to perfect the security interest in the replacement Collateral. Borrower hereby irrevocably authorizes Lender to make, settle and adjust claims under any insurance policies and to endorse Borrower's name on any check or other items of payment for the proceeds thereof.

10. **DEFAULT AND REMEDIES**

(a) Time is of the essence and the following events shall constitute Events of Default:

- (i) Borrower shall fail to make any installment or other payment hereunder including the payment of insurance, personal property taxes, other taxes, fees, or assessments within 10 days after the same shall become due;
- (ii) Borrower shall fail to perform or observe any other covenant, condition, provision, or agreement to be performed or observed by it under this Note, any Collateral Schedules or amendments thereto; or under any other instruments or agreements between Lender and Borrower in connection with this or any other transaction;
- (iii) Borrower shall make any representation or warranty to Lender under any agreement referenced in (ii) above, or make, furnish or deliver any document, certificate, or representation to Lender in connection therewith that shall prove to be incorrect in any material respect at the time made;
- (iv) Borrower does not generally pay its debts as they become due, ceases to do business as a going concern, or shall admit in writing its inability to pay its debts; or shall make an assignment for the benefit of creditors, or shall commence, or have commenced against it, any case, proceeding, or action seeking to have an order for relief entered on its behalf or against it as a debtor or to adjudicate it as bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution, or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors, or seeking appointment of a receiver, trustee, custodian, or other similar official for it or for all or any part of its property; or to take any action in contemplation of or to authorize any of the above actions;
- (v) The death or incapacity of Borrower or any guarantor, if an individual, or the merger, consolidation, acquisition, liquidation, insolvency, termination or dissolution of Borrower or any such guarantor, if a corporation, partnership or other business association, or if Borrower or any such guarantor shall sell or turn over the management or operation of all or any substantial portion of its property, assets or business to any other person, corporation, partnership, or other business association; or
- (vi) Any of the Collateral is lost or destroyed, or Borrower shall fail to discharge any mortgage, security interest, pledge, lien, charge, encumbrance, or claim against the Collateral;
- (vii) The occurrence of any adverse change in the financial condition of Borrower that Lender, in its sole discretion, deems material;
- (viii) If Lender, in good faith, shall believe that the Collateral is insecure, or that the due performance of Borrower's obligations or the prospect of payment or performance by Borrower hereunder or under any other agreement between Lender or Borrower is impaired;
- (ix) Borrower is in default of any other agreement with Lender or any agreement with any affiliate of Zions Bancorporation;
- (x) Borrower is in default (and any applicable cure period has expired) under any material agreement for the payment of money; or
- (xi) Any guarantor, or other party liable to Lender defaults in any obligation described above or is involved with the occurrence of any event described above.

(b) In the Event of Default, Lender at its sole option shall have the right to exercise concurrently or separately any one or more of the following remedies, and without any election of remedies deemed to have been made:

- (i) With or without notice or demand, declare the entire principal and interest (including past due installments and interest) plus all other sums due provided for under the Note to be immediately due and payable;
- (ii) Upon demand from Lender, assemble the Collateral and make it available to Lender at the place and time designated in the demand;
- (iii) Enter into the premises where any or all of the items of Collateral may be located and take possession or remove the same. Any such taking or possession shall not constitute termination of the Note or to any or all items of Collateral unless Lender expressly notifies Borrower in writing to that effect. In the event of entry and repossession, Borrower

hereby expressly waives all rights to possession and all claims for damages or loss by reason of such entry and repossession;

- (iv) Terminate this Note or amendments thereto and retain as damages all installments or other amounts paid by Borrower;
- (v) Proceed by appropriate action either at law or in equity or bankruptcy to enforce performance by Borrower of the applicable covenants of this Note or to recover damages for breach thereof;
- (vi) Use, without cost to Lender, Borrower's place of business for the purpose of storing, displaying, selling, leasing, or otherwise disposing of all or any portion of the Collateral;
- (vii) Lender may Lease the Collateral to any third party, upon such terms and conditions as Lender shall determine, or may sell the Collateral at private or public sale, at such sale Lender may be the purchaser. In either of such events, there shall be due from Borrower and Borrower shall immediately pay to Lender the total unpaid principal and interest plus all other sums provided to be paid herein less the net proceeds of the sale or re-lease, net proceeds being defined as follows: the cost basis of the new lease to any third party or the purchase price at said sale less all costs and expenses of Lender in repossessing, holding, re-leasing, transporting, repairing, selling, or otherwise handling the Collateral;
- (viii) Pursue any other remedy available to Lender at law or in equity.

(c) Upon the occurrence of an Event of Default, the obligations and indebtedness herein described and all other present or future debts and obligations then owing by Borrower to Lender shall, at the election of Lender, become immediately due and payable and shall accrue interest at the lesser of (a) 21% per annum or (b) the maximum lawful rate.

11. **PREPAYMENT.** Borrower may prepay in full, but not in part, the unpaid principal balance together with all accrued unpaid interest and any and all other sums due hereunder. The payoff amount will be calculated by Lender using simple interest and shall include a fee of 3% the first year, 2% the second year, and 1% thereafter.
12. **LENDER'S REMEDIES AFTER DEFAULT; CONSENT TO ENTER PREMISES.** Upon the occurrence of an Event of Default and at any time thereafter, LENDER SHALL HAVE ALL THE RIGHTS AND REMEDIES OF A LENDER UNDER THE UNIFORM COMMERCIAL CODE AND ANY OTHER APPLICABLE LAWS, in equity, and under this Agreement and any other agreement related hereto or to the Collateral, INCLUDING THE RIGHT TO ANY DEFICIENCY remaining after any disposition of the Collateral for which deficiency Borrower shall remain fully liable. LENDER, BY ITSELF OR ITS AGENT, MAY WITHOUT NOTICE TO BORROWER AND WITHOUT JUDICIAL PROCESS OF ANY KIND ENTER INTO ANY PREMISES OR UPON ANY LAND where the Collateral may be located and disassemble, render unusable and/or repossess all or any item of the Collateral, disconnecting and separating all Collateral from any other property. Borrower expressly waives all further rights to possession of the Collateral after an Event of Default and all claims for injuries suffered through loss caused by such entering and/or repossession. Lender may require Borrower to assemble the Collateral and return it to Lender at a place to be designated by Lender which is reasonably convenient to both parties. Lender will give Borrower reasonable notice of the time and place of a public sale of the Collateral or of the time after which any private sale or any other intended disposition of the Collateral is to be made. Unless otherwise provided by law, the requirement of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Borrower shown herein at least five days before the time of the sale or disposition. Expenses of retaking, holding, preparing for sale, selling and other costs of disposition including reasonable attorney's fees and other legal fees shall be the responsibility of Borrower and shall be included as part of the obligation of Borrower under this Agreement. Borrower grants to Lender a security interest in and right of setoff against all of Borrower's accounts (whether checking, savings, or some other account) with Lender or with any affiliate bank of Lender ("Bank") to the extent permitted by applicable law. This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. Borrower authorizes, to the extent permitted by applicable law, (a) Lender to charge or setoff all or any sums owing on the Agreement against any and all such accounts, and (b) Bank, at Lender's request, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph. The rights and remedies provided Lender are cumulative and may be exercised in such order or combination as Lender may elect.
13. **WAIVER OF DEFAULTS; AGREEMENT INCLUSIVE.** Lender may in its sole discretion waive any Event of Default. Any such waiver in a particular instance of any particular default, which waiver must be in writing signed by Lender to be effective, shall not be a waiver of other defaults or the same kind of default at another time. This Agreement, together with any and related note, instrument or agreement, and any written instruments or documents that are referred to in or part of this Agreement, is the final expression of the understanding of Borrower and Lender concerning the subject matter of this Agreement and may not be altered or amended except with the written consent of the parties and may not be contradicted by evidence of any alleged prior or contemporaneous oral agreement.
14. **ASSIGNMENT.** Lender may assign this Agreement and any indebtedness secured hereby and upon such assignment or transfer the assignee or holder shall be entitled to all rights, powers, privileges and remedies of Lender to the extent assigned or transferred. The obligations of Borrower shall not be subject, as against any such assignee or transferee, to any defense, set-off or counterclaim available to the Borrower against Lender and any such defense, set-off or counterclaim may be asserted only against Lender. Any assignee from Lender shall have the same right of off-set as is available to Lender.
15. **Dispute Resolution. This section contains a jury waiver, judicial reference, and a class action waiver. READ IT CAREFULLY.**

This document contains a judicial reference provision that shall be invoked only with regard to Disputes litigated in California. In no event however shall these dispute resolution provisions diminish the force and effect of the venue selection and jurisdiction provisions in this document or Related Documents. Subject to applicable venue selection and jurisdiction provisions, (1) Disputes litigated in California shall be governed by the dispute resolution provisions of this document, and (2) Disputes litigated or arbitrated in a state other than California shall be subject to any jury waiver, class action waiver, and arbitration provisions in any loan agreement, security agreement, mortgage, trust deed, or other Related Document executed in connection with this transaction.



This dispute resolution provision shall supersede and replace any prior "Jury Waiver," "Judicial Reference," "Class Action Waiver," "Arbitration," "Dispute Resolution," or similar alternative dispute agreement or provision between or among the parties.

**JURY WAIVER; CLASS ACTION WAIVER.** Each party waives its, his or her respective rights to a trial before a jury in connection with any Disputes related to this document and Related Documents, and the loan evidenced hereby. Disputes also include without limitation any claim by either party against the other regarding any other agreement or business relationship between any of us whether or not related to the subject matter of this document, class action claims brought by either party as a class representative on behalf of others, and claims by a class representative on either party's behalf as a class member (all of the foregoing, a "Dispute"). Disputes include matters relating to a deposit account, application for or denial of credit, enforcement of any of the obligations we have to each other, compliance with applicable laws and/or regulations, performance or services provided under any agreement by any party, including but not limited to the validity, enforceability, meaning, or scope of this jury waiver and judicial reference provision, and including a dispute based on or arising from an alleged tort or matters involving either of our employees, agents, affiliates, or assigns of a party. If a third party is a party to a Dispute, we each will consent to including the third party in the reference proceeding for resolving the Dispute with the third party. If permitted by applicable law, each party also waives the right to litigate in court or a reference proceeding any Dispute as a class action, either as a member of a class or as a representative, or to act as a private attorney general.

**JUDICIAL REFERENCE.** If a jury trial waiver is not permitted by applicable law and a Dispute arises between us, either of us may require that it be resolved by judicial reference in accordance with California Code of Civil Procedure, Sections 638, *et seq.*, including without limitation whether the Dispute is subject to a judicial reference proceeding. By agreeing to resolve Disputes by judicial reference, each party is giving up any right that party may have to a jury trial. The referee shall be a retired judge, agreed upon by the parties, from either the American Arbitration Association (AAA) or Judicial Arbitration and Mediation Service, Inc. (JAMS). If the parties cannot agree on the referee, the party who initially selected the reference procedure shall request a panel of ten retired judges from either AAA or JAMS, and the court shall select the referee from that panel. The referee shall be appointed to sit with all of the powers provided by law, including the power to hear and determine any or all of the issues in the proceeding, whether of fact or of law, and to report a statement of decision. The parties agree that time is of the essence in conducting the judicial reference proceeding set forth herein. The costs of the judicial reference proceeding, including the fee for the court reporter, shall be borne equally by the parties as the costs are incurred, unless otherwise awarded by the referee. The referee shall hear all pre-trial and post-trial matters (including without limitation requests for equitable relief), prepare a statement of decision with written findings of fact and conclusions of law, and apportion costs as appropriate. The referee shall be empowered to enter equitable relief as well as legal relief, provide all temporary or provisional remedies, enter equitable orders that are binding on the parties and rule on any motion that would be authorized in a trial, including without limitation motions for summary adjudication. Judgment upon the award shall be entered in the court in which such proceeding was commenced and all parties shall have full rights of appeal. This provision will not be deemed to limit or constrain Bank's, Lessor's or Lender's right of offset, to obtain provisional or ancillary remedies, to interplead funds in the event of a dispute, to exercise any security interest or lien Bank, Lessor or Lender may hold in property or to comply with legal process involving accounts or other property held by Bank, Lessor or Lender.

**RELIANCE.** Each party (i) certifies that no one has represented to such party that the other party would not seek to enforce jury and class action waivers in the event of suit, and (ii) acknowledges that it and the other party have been induced to enter into this Agreement by, among other things, the mutual waivers, agreements, and certifications in this section.

16. **STATEMENTS.** Borrower shall furnish Lender within ninety (90) days after the end of each fiscal year of Borrower, a balance sheet and profit and loss statement as of the end of such fiscal year and within sixty (60) days after the end of each quarter, a balance sheet and profit and loss statement as of the end of each quarter, all prepared in accordance with generally accepted accounting principles and such other information respecting the financial condition and operations of Borrower as Lender may from time to time reasonably request.
17. **ADDITIONAL FEES.** Borrower agrees to pay Lender's reasonable fees, costs and expenses for the preparation of all documents, filing, and recording fees and an origination fee, which fees shall be disclosed to Borrower prior to the execution of this Agreement. Borrower further agrees to pay all costs incurred by Lender in enforcing or protecting Lender's rights under this Agreement including but not limited to all reasonable attorney's fees (whether or not legal proceedings are instituted), court costs, costs and expenses of obtaining abstracts and title reports, title insurance, appraisals, foreclosure reports, and the costs of preserving, recovering, storing, or selling any of the Collateral. All such additional fees shall be additional indebtedness secured hereby.
18. **MISCELLANEOUS.** Lender may fill in any blanks including but not limited to serial numbers and the date of the first payment. Any provisions hereof contrary to, prohibited by or invalid under applicable laws or regulations shall be inapplicable and deemed omitted herefrom, but shall not invalidate the remaining provisions hereof. **BORROWER ACKNOWLEDGES RECEIPT OF A TRUE COPY OF THIS AGREEMENT.** If Borrower is a corporation, this Security Agreement is executed pursuant to authority of its Board of Directors. "Borrower" and "Lender" as used in this Agreement include the heirs, executors or administrations, successors or assigns to those parties. If more than one Borrower executes this Agreement, their obligations under this Agreement shall be joint and several. **BORROWER WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY LITIGATIONS ARISING HEREFROM OR IN RELATION HERETO.** This Agreement may not be altered, modified or

terminated in any manner except by a writing duly signed by the parties hereto. This Agreement shall be governed by and interpreted in accordance with the laws of the state of Utah except as may be provided in section 15.

19. POWER OF ATTORNEY. BORROWER hereby irrevocably grants POWER OF ATTORNEY to ZIONS CREDIT CORPORATION and its designees (collectively "Zions"), with full power of substitution, to issue, execute, endorse, file, record, release or deliver to any person, government agency or other entity all documents (including but not limited to title applications, certificates of title, UCC filings, checks and insurance claims) that Zions in its discretion deems necessary or reasonably convenient to establish, evidence, transfer, refinance, release, dispose of, modify, liquidate, cash or realize upon any ownership interest, security interest, lien or other interest in any collateral or property securing Borrower's obligations to Lender. Zions may execute documents or act solely in Borrower's name, its own name, or both, without prior notice to Borrower. Borrower shall execute all such further documents and otherwise assist as Zions may request to further evidence the foregoing power or effect Zions' actions thereunder. Borrower directs all persons to accept documents and instructions from Zions, the same as if made by Borrower personally, without further inquiry to Borrower, and regardless of any objection interposed by Borrower. Zions' foregoing power and privileges shall survive Borrower's death, incapacity, dissolution, insolvency or winding up, and continue until all of Borrower's obligations to Zions secured by this or any other instrument are finally paid in full.

20. ADDITIONAL TERMS: None.

By execution hereof, the signer hereby certifies that he/she has read this Agreement, including the reverse side of all pages, and that he/she is duly authorized to execute this Agreement on behalf of the Borrower.

[Signature]  
Witness  
CL-974292  
Signer's Driver's License No.

Specialty Sales LLC  
Borrower  
By: [Signature]  
Title: President  
Print Name: GREG PETERSEN  
Address: 4672 E DRUMMOND AVE  
FRESNO, CA 93725-1601  
Date: 11-16-15

State of: Utah )  
County of: SALT LAKE ) ss  
Residing at: 3105 Main, UT 84101  
My commission expires: 2-13-16  
Subscribed and sworn before me this 31 day of Dec, 2015.

NOTARY PUBLIC  
Janel Duggar  
651487  
My Commission Expires  
February 13, 2016  
STATE OF UTAH

Zions Credit Corporation dba CB&T Equipment Finance  
Lender  
By: [Signature]  
Norman Weldon  
Title: Vice President  
Address: 310 S. Main, Ste 1300, Salt Lake City, UT 84101  
Date: 12-30-15