

Application for Prop 1B Funding for New Low-Emissions Locomotive in Port of San Francisco Railyard

Submitted By
Port of San Francisco

**Pier 1 The Embarcadero
San Francisco, CA 94111**

January 29, 2016





January 28, 2016

Mr. Anthony Fournier
Air Quality Program Manager
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109

Re: *Prop 1B Application for Low-Emissions Locomotive at Port of San Francisco*

Dear Mr. Fournier:

I am the Executive Director of the Port of San Francisco and I write to submit our application for Prop 1B funding to purchase a state-of-the-art low-emissions locomotive for moving freight in and around the Port of San Francisco.

The Port of San Francisco has regular rail traffic through our railyard situated on our Southern Waterfront. For more than a decade, we have contracted with San Francisco Bay Railroad (SFBR) to provide shortline freight railroad and rail terminal operations. SFBR also leases for their operation the Port's two 60-year old ALCO locomotives. Based along the Southern Waterfront within the Bayview-Hunters Point community, SFBR has strived to be a good steward of the neighborhood by maintaining a very clean and environmentally-compliant operation, by hiring its employees, management and subcontractors almost exclusively from the local community, and by seeking every opportunity to improve the environment at the Port and in the local community. Toward that end, SFBR (under its prior name, LB Railco) applied for and received two Carl Moyer grants in 2005 to install new, clean-burning engines in its mobile lift cranes, thereby replacing old, polluting engines.

In the economically-disadvantaged neighborhood of Bayview-Hunters Point, which has had and continues to have its fair share of environmental impacts, the BAAQMD grants have made a difference. Moreover, SFBR partnered with the California Air Resources Board to study the benefits of using biodiesel in the Port's aging ALCO locomotives, and then implemented the use of biodiesel when the findings of the CARB report said that the fuel would yield improved air quality.

The Port's Prop 1B grant application for a low-emission locomotive to replace the Port's old (1946 vintage) ALCO locomotive is the logical next step along the path of cleaning up the air in the Bayview-Hunters Point neighborhood.

Mr. Anthony Fournier
Page 2

This grant request comes at a very propitious time, as we are about to begin \$3-4 million in construction improvements to the freight rail infrastructure between the Caltrain mainline and the Port. These improvements will expand freight rail operations and more extensive use of the new locomotive. I understand that the "green" locomotive can reduce particulate emissions and CO₂ by more than 90%. Reductions in locally-generated particulate emissions and CO₂ will greatly benefit the local Bayview-Hunters Point community, the Port, and the Bay Area as a whole.

A low-emissions locomotive operating in San Francisco will attract attention from around the State, the Country, and the world. If one of the goals of the BAAQMD and CARB is to spread best practices about new technologies available to clean-up diesel emissions, there could be no better place to "showcase" that technology than right here in the City of San Francisco. I can speak for the Port in saying that, should this Prop 1B grant be awarded to the Port for purchase of a low-emission locomotive, we and SFBR will be proud to do whatever we can to host representatives from other ports and urban areas when they come to the City to view this innovative technology in operation.

The structure of the arrangement between the Port and SFBR for the Prop1B funding will be that the Port will agree to retire and destroy the engine in the old ALCO locomotive in exchange for taking title and ownership to the new green locomotive based at the Port. SFBR will provide the 15% matching funds for the new engine and Port staff will recommend to the Port Commission a 15-year operating agreement with the Port that will coincide with the 15-year use agreement required by the BAAQMD.

The Port of San Francisco is extremely excited at the prospect for the BAAQMD to help bring this modern "green" technology to San Francisco, and we are hopeful that you will look favorably upon this application. Please don't hesitate to call upon us if you have any questions or if you need any other information concerning our application.

Sincerely,



Monique Moyer
Executive Director



January 28, 2016

Mr. Anthony Fournier
Air Quality Program Manager
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109

Re: SFBR Support for Port of San Francisco Prop 1B Funding Application

Dear Mr. Fournier:

San Francisco Bay Railroad (SFBR) is very grateful for the opportunity to support the application for Prop 1B funding that is being submitted by the Port of San Francisco for purchase of a new low-emissions locomotive. As you may already know, for more than 15 years SFBR has operated the Port's 1946 ALCO diesel locomotive. That locomotive was one of the very first diesel units to operate in the U.S., ushering out the age of the steam engine. Although the ALCO has been a reliable workhorse over the years for both SFBR and the Port, and although SFBR has done a great deal of work to restore and maintain this ALCO unit, including converting it to the use of biodiesel fuel, it is nonetheless a 1946 engine that is far from a low-emissions or "green" locomotive.

Against that background, BAAQMD is providing the Port and SFBR with a rare opportunity to retire this old engine, and to replace it with a locomotive that can reduce emissions by in excess of 95%. Moreover, by funding this request the BAAQMD will be implementing this drastic reduction of emissions in one of the most environmentally impacted neighborhoods in Northern California, the Bayview-Hunters Point community. This is the community where many of our employees live. Lowering the emissions from our railroad and railyard switching operations would directly benefit both our employees and their neighbors.

Regarding the structure of our Port-SFBR Rail Agreement, the Port is applying for the funding and will own the new green locomotive, as they are the current owner of the ALCO locomotive that is being retired from service. If the Port is awarded Prop 1B funding, SFBR has committed to provide the 15% matching share for the purchase of the locomotive, to cover the sales tax, and to operate and maintain the locomotive for a period of at least 15 years under an updated Rail Agreement with the Port. This public-private partnership has worked very well for the past 15 years, and we are committed to and excited about the prospects for our working together to expand rail freight in and out of the Port over the next 15 years.

Toward that end, the Port is about to expend \$4 million of Federal and local funds to improve the Quint Street rail line which runs from the Caltrain mainline to the Port-SFBR railyard along Cargo Way. This will greatly enhance our interchange capabilities with the Union Pacific Railroad, and we expect it to expand the freight rail business at the Port. This, in turn, will further enhance the use of the new "green" locomotive for SFBR's switching of railcars throughout the Port.

SFBR is committed to join with the Port to make sure that the BAAQMD funding goes a long way to promoting this new low-emissions locomotive technology. As a magnet for both leisure and business travelers from throughout the globe, San Francisco is the perfect place for BAAQMD, CARB, the Port, and SFBR to demonstrate this green locomotive. We are committed to working with BAAQMD to hosting and demonstrating the operation of the new locomotive for visitors who are considering converting to this technology.

In summary, we think the Port of San Francisco is the perfect place for the BAAQMD and CARB to get the largest "bang for the buck" from its Prop 1B funding. Not only will you be facilitating the retirement of one of the oldest diesel engines operating anywhere today, but you will be doing it in an already impacted neighborhood, and in a City where this new technology will be on display to the greatest amount of people. We at SFBR are grateful for your consideration of the Port's application for Prop 1B funding.

Please don't hesitate to contact me or SFBR General Manager, Nick Kendall, if you have any questions whatsoever about SFBR's role in this process.

Sincerely,

A handwritten signature in black ink, appearing to read "David Gavrich", followed by a long horizontal line extending to the right.

David A. Gavrich
President & CEO

cc: Monique Moyer - Executive Director, Port of SF

BAAQMD Goods Movement Locomotive Project Application

Part 1: Applicant information	
1. Legal name of organization/agency/company: Port of San Francisco	
2. Railroad class (1, 2, or 3): Class 3 - San Francisco Bay Railroad	
3. Mailing Address: Port of San Francisco	
Street Address/P.O. Box: Pier One	
State: Ca.	County: San Francisco
City: San Francisco	Zip: 94111
4. Business information:	
Number of locomotives: Two	
Number of employees: 240	

5. Contact information:				
	Name	E-Mail	Phone number	Fax number
Primary Project Contact	Peter Dailey	Peter.dailey@sfport.com	415-274-0517	415-544-1717
Person(s) with equipment / property contract signing authority (owner).	Peter Dailey	Same as Above	Same as Above	Same as Above
Person who Completed Application	Peter Dailey	Same as Above	Same as Above	Same as Above

If a **Third Party** (e.g., engine dealer, distributor or consultant, etc.) assisted the Applicant to complete the application, complete questions 6-9 below:

6. What is your position?
7. How much are you being paid to complete this application for the owner or to assist in the proposed project? \$ _____
8. What is the source of funds being used to pay you?
9. Third Party Signature and Date Name: Signature: Date:

Applicant must read and initial each item below to indicate understanding and agreement:

- a. I certify that I am the legal owner of the equipment described in this application or that I have the legal authority to apply for funding for this equipment as or on behalf of the equipment owner and that I am authorized to sign this application as or on behalf of the equipment owner.
Initial:
- b. I certify that I have reviewed the application and to the best of my knowledge, the information contained in this application and in any documentation submitted in furtherance of this application is true and accurate.
Initial:
- c. I understand that an incomplete or illegible application or the absence of any required documentation may cause this application to be considered incomplete, and this application may be rejected by the Air District at its discretion.
Initial:
- d. I agree to comply with all requirements of the Proposition 1B Goods Movement Emission Reduction Program Guidelines, and terms & conditions of the grant agreement signed in furtherance of the proposed Project.
Initial:
- e. I certify that I have not applied for or received additional grant funds from any other public entity (including any air district, the California Air Resources Board (CARB), or any Federal agency) or public program for the equipment described in this application and I agree that, if in the future, I submit an application for or receive additional grant funds from other public entities that would be used for the same equipment, I will disclose the name of the funding source(s), the full grant amount(s) and purpose(s) of that additional funding.
Initial:
- f. I certify that if previous Goods Movement Program, Carl Moyer Program, or other incentive funds have been used on the same equipment described in this application, I have indicated this in the application form.
Initial:
- g. (If applicable) I hereby disclose the value of any existing financial incentive that directly reduces the Project cost (including tax credits or deductions, grants, or other financial assistance) for the same equipment described in this application:
Existing financial incentive: \$

Initial:
- h. I certify that the equipment owner will pay any project costs beyond the grant amount awarded for this Project and that these matching funds will be available within a reasonable timeframe to complete this Project.
Initial:
- i. I certify that neither the equipment owner nor the equipment described in this application has any outstanding (meaning "unpaid") violations of ARB regulations.
Initial:
- j. I understand and agree that the Air District or its designees must conduct inspections of the equipment that is the subject of this application prior to an award in order to verify eligibility and compliance with requirements of the Goods Movement Program.
Initial:
- k. I certify that the proposed project is not required by any local, State or Federal rule or regulation; judicial order, or agreement, memorandum of understanding, contract, or other binding obligation that requires the project

equipment to implement any portion of the project that would be funded by the Air District under the Goods Movement Program.

Initial: DD

- l. I certify that I have been provided information outlining equipment owner responsibilities to maintain eligibility for grant funds, including maintaining required vehicle registration and ownership; keeping equipment in legal operating condition, satisfying outstanding air pollution citations, complying with all ARB regulations, and reporting, replacing or repairing equipment that has been damaged, destroyed, stolen or had a change of usage from that described in this application.

Initial: DD

- m. I certify that I have attached documentation to this application showing that my organization carries at least the minimum insurance (e.g., Workers Compensation, Vehicle Liability, and Vehicle Physical Damage Insurance) as required by law for my fleet or company and that this insurance is held with a carrier rated A.M. Best's rating of no less than A: VII.

Initial: DD

- n. I understand that new equipment purchased outside of California may be subject to California sales and/or use tax.

Initial: DD

- o. I understand that this application is for evaluation purposes only and does not guarantee that grant funding will be awarded to any or all of the equipment described in this application.

Initial: DD

- p. I understand and agree that replacement equipment funded by the Goods Movement Program can only be purchased or placed into operation after the grant agreement has been fully-executed between the equipment owner and the Air District and a "start-work" order has been issued in writing to the equipment owner by the Air District.

Initial: DD

- q. I certify that replacement equipment purchased as part of this Project must be used only within the state of California (meaning 100% travel within California) unless I selected the 90% in-state operation option or the project equipment is a line-haul locomotive funded at a reduced amount, and I will comply with the appropriate usage and vehicle registration requirements for the duration of the Project Term outlined in the grant agreement (e.g., fifteen (15) years for locomotive projects).

Initial: DD

- r. I certify that the replacement equipment purchased as part of this Project will operate a minimum of 50% of its usage in California's major trade corridors for the duration of the Project Term outlined in the grant agreement. (map: <http://www.arb.ca.gov/bonds/gmbond/docs/gmtradecorridors.jpg>).

Initial: DD

- s. I certify that I have attached all the required Attachments to this application.

Initial: DD

- t. I certify that all the equipment for which I will be applying during this solicitation period has been included in this application.

Initial: DD

- u. I understand and certify that accepting grant funds from the Goods Movement Program may lead to tax liability and that by signing the grant agreement for the Project, agree to accept this liability.

Initial: DD

v. I understand and certify that if the Air District receives a Public Records Request requiring release of information about my Project, that the Air District may release a business address but not a personal or home address, since business addresses are considered to be publically-available (directory) information.

Initial: PD

w. I certify that, if selected for funding, the Program-funded equipment shall be placed into operation and post-inspected prior to the applicable operational deadlines to remain eligible for funding.

Initial: PD

I certify that I have the legal authority to apply for funding on behalf of the applicant entity, and that I am authorized to sign and submit this application on behalf of the applicant/equipment owner.

Signed: Peter Dailey

Date: 1/20/16

(Authorized Representative of Applicant/ Equipment Owner)

Name (Please Print): Peter Dailey

Title: Maritime Director

Part 2: Project equipment information (Complete Part 2 for each locomotive in this application)

Type of project: (ONLY CHECK ONE)

Locomotive replacement

Locomotive retrofit (retrofit includes rebuild, repower, remanufacture, filter installation, and all other modifications other than replacement)

Emission control and capture system (Please contact the Air District if interested in this project option)

Existing Equipment and Activity Information

	Existing Locomotive	Proposed (New) Locomotive/Equipment
Locomotive information		
Type of locomotive: (select one)	1. <input checked="" type="checkbox"/> Switcher (1,006-2,300 hp) <input type="checkbox"/> Medium hp (2,300-4,000 hp) <input type="checkbox"/> Line-haul (4,001 hp +)	24. <input checked="" type="checkbox"/> Switcher (1,006-2,300 hp) <input type="checkbox"/> Medium hp (2,300-4,000 hp) <input type="checkbox"/> Line-haul (4,001 hp +)
Build number:	2. N/A	n/a
Build date:	3. July 1945	n/a
Builder:	4. MLW	25. Knoxville Locomotive Works (KLW)
Locomotive #/identifier:	5. SFBR 25	n/a
Locomotive make:	6. ALCO	26. Knoxville Locomotive Works (KLW)
Locomotive model:	7. S2 Switcher	27. SE10B T4
Locomotive serial number:	8. 73603	n/a
Engine configuration (roots blown, turbo-charged, other):	9. TURBO-CHARGED	28. TURBO-CHARGED
Electronic monitoring unit device type and model (if equipped):	10. N/A	29. TMV TECU GPS INTEGRATED
Name and location of home railyard:	11. San Francisco Bay Railroad (SFBR)	30. Knoxville, TN
Engine information (for each engine – copy and complete for equipment with multiple engines)		
Number of engines:	12. One	31. ONE
Emission control level (uncontrolled, Tier 0 through Tier 2):	13. Uncontrolled	32. Tier 4i/4f (2016)
EPA engine family name (if applicable):	14. n/a	33. n/a
Engine make:	15. McIntosh & Seymore	34. MTU
Engine model:	16. 539T	35. 12V2000
Engine type:	17. 6-12 ¹ / ₂ x13 – 39	36. SERIES 2000
Engine model year:	18. 1945	37. 2016
Engine serial number:	19. 4363	n/a
Engine horsepower:	20. 1,000 HP	38. 1,050 BHP
# of cylinders:	21. 6	39. 12
Engine fuel type:	22. Diesel	40. DYED DIESEL FUEL #3 PG3
Emissions control equipment:	23. N/A	41. N/A

42. Locomotive activity

Year	Total number gallons of fuel consumed by this locomotive	Megawatt hours of operation for this locomotive
2013	n/a	n/a
2014	12,206 Gallons	n/a
2015 (to date)	14,124 Gallons	n/a
2016 (to date)	n/a	n/a
Estimated future annual operation of the new locomotive/equipment		
	15,000-20,000 Gallons Annually	n/a

43. Locomotive operation in California trade corridors:

<http://www.arb.ca.gov/bonds/gmbond/docs/gmtradecorridors.jpg>

Trade corridor	Current % operation	Estimated future % operation for the new locomotive/equipment
Bay Area	100%	100%
Central Valley	0%	0%
Los Angeles/ Inland Empire	0%	0%
San Diego/ Imperial	0%	0%

44. Locomotive operation in California

	Current % operation	Estimated future % operation for the new locomotive/equipment
California operation	100%	100%

45. Project costs

Total project equipment cost	\$	1,735,000
Labor (if applicable)	\$	n/a
Program funds requested	\$	1,474,750
Please list any other funding sources for this project		n/a

46. Estimated project schedule

	Estimated date
Equipment order placed	April - 2016
Expected equipment delivery date	December - 2016
Installation completion (if applicable)	n/a
New equipment enters operational service	December - 2016
Destruction of the existing locomotive	December - 2016
Request for Program reimbursement	April - 2016

Attachments: Please submit the following documents with the signed and completed application forms.

- Documentation of current ownership and Proof of identity of equipment owner
- Activity documentation for past 2 years (for existing unit or units of comparable horsepower and function)
 - Fuel consumption or Megawatt hours of operation
- Documentation of percentage of operation within the four California trade corridors
- Insurance documentation for the existing equipment
- New equipment information - Quote/estimate and equipment description
- EPA and ARB Emissions certification documentation. Certification/verification may be pending at time of application; however, prior to payment the equipment must be certified/verified

SEE FOLLOWING PAGES FOR DESCRIPTION OF ATTACHED DOCUMENTS

DESCRIPTION OF REQUESTED DOCUMENTS

- 1. Documentation of current ownership and Proof of identity of equipment owner.**
This 1946 ALCO Locomotive has been owned by the Port of San Francisco and its predecessor for the past 70 years. Although there is currently no official title available, a search of historical records can provide proof of ownership, if needed.
- 2. Activity documentation for the past 2 years for existing ALCO locomotive unit.**
Please see Attachment A - SFBR Fuel Records.
- 3. Documentation of percentage of operation within the four California trade corridors.**
The 1946 ALCO locomotive has operated exclusively within the borders of San Francisco for at least the past 60 years.
- 4. Insurance documentation for the existing equipment.**
Please see Attachment B - SFBR Rail Equipment Insurance Policy
- 5. New equipment information - Quote/estimate and equipment description**
Please see Attachment C - KLV Series 10B Description & Price Quote
- 6. EPA and ARB Emissions certification documentation.**
The EPA and CARB certifications of the KLV Series 10B locomotive are currently pending. Certification/verification is expected sometime in 2016.

ATTACHMENT A

Activity Documentation for Port Locomotive 2014-2015

**Fuel Use Spreadsheet
Copies of Fuel Receipts**

**Fuel Use Spreadsheet - San Francisco Bay Railroad
2014-2015**

<u>Date</u>	<u>Cost</u>	<u>Gals</u>
12/9/15	\$2,305.98	1002
11/19/15	\$2,462.02	1070
10/31/15	\$3,384.28	1318
10/30/15	\$3,154.25	1428
8/27/15	\$2,518.60	1169
8/14/15	\$2,667.11	1127
6/17/15	\$2,927.90	1170
5/16/15	\$3,924.76	1417
4/21/15	\$3,565.07	1285
3/12/15	\$2,455.97	990
2/9/15	\$3,260.85	1254
12/10/14	\$2,324.72	894
11/4/14	\$3,304.84	996
10/8/14	\$4,120.46	1250
9/11/14	\$3,521.16	900
7/31/14	\$6,162.01	1649
7/14/14	\$2,328.39	637
6/26/14	\$4,969.13	1356
5/29/14	\$5,117.33	1311
5/16/14	\$2,387.96	600
1/14/14	\$3,603.81	1036
1/7/14	\$2,971.63	700
11/13/13	\$3,130.84	877
Total:	\$76,569.07	25436



Flyers Energy, LLC
 2360 Lindbergh Street
 Auburn, CA 95602
 (530)885-0401

Invoice No: 13-909334
Invoice Date: Wed 11/13/2013
Delivery Date: Wed 11/13/2013
Lift Date/Time: Wed 11/13/13 08:00a
Account ID: 13426

Remit To: Flyers Energy, LLC
 Dept #34516
 P.O. Box 39000
 San Francisco, CA 94139-0001
 (800)995-0401

Original

Bill To:	Ship To:
L.B. Rail Company 100 Cargo Way San Francisco, CA 94124	ID: 1 L.B. Rail Company 100 Cargo Way San Francisco, CA 94124

Order No: 260244-13	Reference No.:	P.O. No:
Salesperson: Consumer House Account		

For Billing Inquiries Please Call: Diane Cone at (800) 995-0401 Ext. 2073
Flyers Energy Pre-Paid Sales Tax # SG KH 78-020495

Description	From Site	Gross Units	Net Units	Basis	Unit Price	Discount	Total
ULSD CARB DYED # 2 DSL	317	877.00	877.00	Net	3.278000		2,874.81
COMBUSTIBLE LIQUID. THIS PRODUCT IS DYED DIESEL FUEL. NON TAXABLE USE ONLY. PENALTY FOR TAXABLE USE. CALIFORNIA DIESEL FUEL. MAX 15 PPM SULFUR OR LESS. Dyed Motor Vehicle Fuel for use in all nonroad diesel engines. Not for use in highway vehicles or engines except for tax exempt use in accordance with section 4082 of the Internal Revenue Code.							

******Tax and Other Charges Summary******

Federal LUST	877.00	Net	0.001000	0.88
Federal Oil Spill Tax DSL	877.00	Net	0.001900	1.67
AB32 Imp fees - DSL	877.00	Net	0.001793	1.57
CA Sales Tax (Red)	\$2,878.93	Gross	7.5000%	215.92
San Francisco Cnty Transit Tax	\$2,878.93	Gross	1.2500%	35.99

******Freight Summary******

Standard Freight Hourly				0.00
-------------------------	--	--	--	------

Invoice Total	877.00	877.00	\$3,130.84
----------------------	---------------	---------------	-------------------

******Payment Terms Summary******
 Due by Tue 12/03/2013 (Net 20 Days) 3,130.84



Flyers Energy, LLC
 2360 Lindbergh Street
 Auburn, CA 95602
 (530)885-0401

Invoice No: 14-927008
 Invoice Date: Tue 01/14/2014
 Delivery Date: Tue 01/14/2014
 Lift Date/Time: Tue 01/14/14 08:00a
 Account ID: 13426

Remit To: Flyers Energy, LLC
 Dept #34516
 P.O. Box 39000
 San Francisco, CA 94139-0001
 (800)995-0401

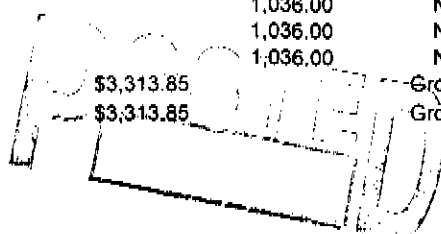
Original

Bill To:	Ship To:
L.B. Rail Company 100 Cargo Way San Francisco, CA 94124	ID: 1 L.B. Rail Company 100 Cargo Way San Francisco, CA 94124

Order No: 289431-14	Reference No.:	P.O. No:
Salesperson: Consumer House Account		

For Billing Inquiries Please Call: Diane Cone at (800) 995-0401 Ext. 2073
 Flyers Energy Pre-Paid Sales Tax # SG KH 78-020495

Description	From Site	BOL No	Gross Units	Net Units	Basis	Unit Price	Discount	Total
ULSD CARB DYED # 2 DSL	317	4939-5	1,036.00	1,036.00	Net	3.194000		3,308.98
COMBUSTIBLE LIQUID. THIS PRODUCT IS DYED DIESEL FUEL. NON TAXABLE USE ONLY. PENALTY FOR TAXABLE USE. CALIFORNIA DIESEL FUEL. MAX 15 PPM SULFUR OR LESS. Dyed Motor Vehicle Fuel for use in all nonroad diesel engines. Not for use in highway vehicles or engines except for tax exempt use in accordance with section 4082 of the Internal Revenue Code.								
****Tax and Other Charges Summary****								
Federal LUST				1,036.00	Net	0.001000		1.04
Federal Oil Spill Tax DSL				1,036.00	Net	0.001900		1.97
AB32 Imp fees - DSL				1,036.00	Net	0.001793		1.86
CA Sales Tax (Red)			\$3,313.85		Gross	7.5000%		248.54
San Francisco Cnty Transit Tax			\$3,313.85		Gross	1.2500%		41.42
****Freight Summary****								
Standard Freight Hourly								0.00



Invoice Total	1,036.00	1,036.00	\$3,603.81
----------------------	----------	----------	-------------------

****Payment Terms Summary****			
Due by Mon 02/03/2014 (Net 20 Days)			3,603.81



Flyers Energy, LLC
 2360 Lindbergh Street
 Auburn, CA 95602
 (530)885-0401

Invoice No: 14-925737
 Invoice Date: Tue 01/07/2014
 Delivery Date: Tue 01/07/2014
 Lift Date/Time: Tue 01/07/14 08:00a
 Account ID: 13426

Remit To: Flyers Energy, LLC
 Dept #34516
 P.O. Box 39000
 San Francisco, CA 94139-0001
 (800)995-0401

Original

Bill To:	Ship To:
L.B. Rail Company 100 Cargo Way San Francisco, CA 94124	ID: 1 L.B. Rail Company 100 Cargo Way San Francisco, CA 94124

Order No: 285957-14	Reference No.:	P.O. No:
Salesperson: Consumer House Account		

For Billing Inquiries Please Call: Diane Cone at (800) 995-0401 Ext. 2073
Flyers Energy Pre-Paid Sales Tax # SG KH 78-020495

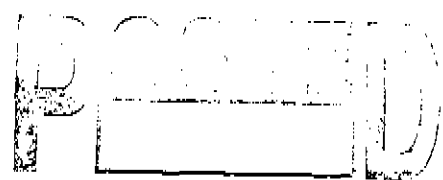
Description	From Site	BOL No	Gross Units	Net Units	Basis	Unit Price	Discount	Total
ULSD CARB DYED # 2 DSL COMBUSTIBLE LIQUID. THIS PRODUCT IS DYED DIESEL FUEL. NON TAXABLE USE ONLY. PENALTY FOR TAXABLE USE. CALIFORNIA DIESEL FUEL. MAX 15 PPM SULFUR OR LESS. Dyed Motor Vehicle Fuel for use in all nonroad diesel engines. Not for use in highway vehicles or engines except for tax exempt use in accordance with section 4082 of the Internal Revenue Code.	317	4852-544	350.00	350.00	Net	3.273000		1,145.55
Bio-Diesel (B99) CALIFORNIA CARB DIESEL. MAX 15 PPM SULFUR OR LESS. COMBUSTIBLE LIQUID. THIS DIESEL FUEL DOES NOT CONTAIN VISIBLE EVIDENCE OF DYE. THIS DIESEL FUEL IS NOT INTENDED FOR MARINE USE.	317	4851-544	350.00	350.00	Net	4.358000		1,525.30

****Tax and Other Charges Summary****

Federal LUST		350.00	Net	0.001000		0.35
Federal Oil Spill Tax DSL		350.00	Net	0.001900		0.67
Ca Diesel Excise		350.00	Net	0.100000		35.00
AB32 Imp fees - DSL		700.00	Net	0.001793		1.26
CA Sales Tax (Red)		\$1,147.20	Gross	7.5000%		86.04
Ca Sales Tax - DSL		\$1,525.93	Gross	9.4400%		144.05
San Francisco Cnty Transit Tax		\$2,673.13	Gross	1.2500%		33.41

****Freight Summary****

Standard Freight Hourly						0.00
-------------------------	--	--	--	--	--	------



Invoice Total	700.00	700.00	\$2,971.63
----------------------	---------------	---------------	-------------------

****Payment Terms Summary****

Due by Mon 01/27/2014 (Net 20 Days)			2,971.63
-------------------------------------	--	--	----------



Flyers Energy, LLC
 2360 Lindbergh Street
 Auburn, CA 95602
 (530)885-0401

Invoice No: 14-969608
 Invoice Date: Fri 05/16/2014
 Delivery Date: Fri 05/16/2014
 Lift Date/Time: Fri 05/16/14 08:00a
 Account ID: 13426

Remit To: Flyers Energy, LLC
 Dept #34516
 P.O. Box 39000
 San Francisco, CA 94139-0001
 (800)995-0401

Original

Bill To:	Ship To:
L.B. Rail Company 100 Cargo Way San Francisco, CA 94124	ID: 1 L.B. Rail Company 100 Cargo Way San Francisco, CA 94124

Order No: 357920-14	Reference No.:	P.O. No:
Salesperson: Consumer House Account		

For Billing Inquiries Please Call: Diane Cone at (800) 995-0401 Ext. 2073
 Flyers Energy Pre-Paid Sales Tax # SG KH 78-020495

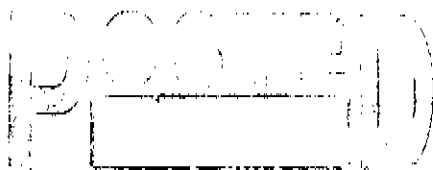
Description	From Site	BOL No	Gross Units	Net Units	Basis	Unit Price	Discount	Total
ULSD CARB DYED # 2 DSL	317	6616	600.00	600.00	Net	3.655000		2,193.00
COMBUSTIBLE LIQUID. THIS PRODUCT IS DYED DIESEL FUEL. NON TAXABLE USE ONLY. PENALTY FOR TAXABLE USE. CALIFORNIA DIESEL FUEL. MAX 15 PPM SULFUR OR LESS. Dyed Motor Vehicle Fuel for use in all nonroad diesel engines. Not for use in highway vehicles or engines except for tax exempt use in accordance with section 4082 of the Internal Revenue Code.								

****Tax and Other Charges Summary****

Federal LUST		600.00	Net	0.001000	0.60
Federal Oil Spill Tax DSL		600.00	Net	0.001900	1.14
AB32 Imp fees - DSL		600.00	Net	0.001793	1.08
CA Sales Tax (Red)	\$2,195.82		Gross	7.5000%	164.69
San Francisco Cnty Transit Tax	\$2,195.82		Gross	1.2500%	27.45

****Freight Summary****

Standard Freight Hourly					0.00
-------------------------	--	--	--	--	------



Invoice Total	600.00	600.00	\$2,387.96
----------------------	---------------	---------------	-------------------

****Payment Terms Summary****

Due by Thu 06/05/2014 (Net 20 Days)	2,387.96
-------------------------------------	----------



Flyers Energy, LLC
 2380 Lindbergh Street
 Auburn, CA 95602
 (530)885-0401

Invoice No: 14-972827
 Invoice Date: Thu 05/29/2014
 Delivery Date: Thu 05/29/2014
 Lift Date/Time: Thu 05/29/14 08:00a
 Account ID: 13426

Remit To: Flyers Energy, LLC
 Dept #34516
 P.O. Box 39000
 San Francisco, CA 94139-0001
 (800)995-0401

Original

Bill To:	Ship To:
L.B. Rail Company 100 Cargo Way San Francisco, CA 94124	ID: 1 L.B. Rail Company 100 Cargo Way San Francisco, CA 94124

Order No: 382279-14	Reference No.:	P.O. No:
Salesperson: Consumer House Account		

For Billing Inquiries Please Call: Diane Cone at (800) 995-0401 Ext. 2073
 Flyers Energy Pre-Paid Sales Tax # SG KH 78-020495

Description	From Site	BOL No	Gross Units	Net Units	Basis	Unit Price	Discount	Total
ULSD CARB DYED # 2 DSL COMBUSTIBLE LIQUID. THIS PRODUCT IS DYED DIESEL FUEL. NON TAXABLE USE ONLY. PENALTY FOR TAXABLE USE. CALIFORNIA DIESEL FUEL. MAX 15 PPM SULFUR OR LESS. Dyed Motor Vehicle Fuel for use in all nonroad diesel engines. Not for use in highway vehicles or engines except for tax exempt use in accordance with section 4082 of the Internal Revenue Code.	317	6754	1,061.00	1,061.00	Net	3.365000		3,570.27
Bio-Diesel (B99) CALIFORNIA CARB DIESEL. MAX 15 PPM SULFUR OR LESS. COMBUSTIBLE LIQUID. THIS DIESEL FUEL DOES NOT CONTAIN VISIBLE EVIDENCE OF DYE. THIS DIESEL FUEL IS NOT INTENDED FOR MARINE USE.	317	6751	250.00	250.00	Net	4.350000		1,087.50

****Tax and Other Charges Summary****

Federal LUST			1,061.00		Net	0.001000		1.06
Federal Oil Spill Tax DSL			1,061.00		Net	0.001900		2.02
Ca Diesel Excise			250.00		Net	0.100000		25.00
AB32 Imp fees - DSL			1,311.00		Net	0.001793		2.35
CA Sales Tax (Red)			\$3,575.25		Gross	7.5000%		268.14
Ca Sales Tax - DSL			\$1,087.95		Gross	9.4400%		102.70
San Francisco Crty Transit Tax			\$4,663.20		Gross	1.2500%		58.29

****Freight Summary****

Standard Freight Hourly								0.00
-------------------------	--	--	--	--	--	--	--	------

Invoice Total	1,311.00	1,311.00	\$5,117.33
----------------------	-----------------	-----------------	-------------------

****Payment Terms Summary****

Due by Wed 06/18/2014 (Net 20 Days)			5,117.33
-------------------------------------	--	--	----------



Flyers Energy, LLC
 2360 Lindbergh Street
 Auburn, CA 95602
 (530)885-0401

Invoice No: 14-972827
Invoice Date: Thu 05/29/2014
Delivery Date: Thu 05/29/2014
Lift Date/Time: Thu 05/29/14 08:00a
Account ID: 13426

Remit To: Flyers Energy, LLC
 Dept #34516
 P.O. Box 39000
 San Francisco, CA 94139-0001
 (800)995-0401

Original

Bill To:	Ship To:
L.B. Rail Company 100 Cargo Way San Francisco, CA 94124	ID: 1 L.B. Rail Company 100 Cargo Way San Francisco, CA 94124

Order No: 362279-14	Reference No.:	P.O. No.:
Salesperson: Consumer House Account		

For Billing Inquiries Please Call: Diane Cone at (800) 995-0401 Ext. 2073
Flyers Energy Pre-Paid Sales Tax # SG KH 78-020495

Description	From Site	BOL No	Gross Units	Net Units	Basis	Unit Price	Discount	Total
ULSD CARB DYED # 2 DSL COMBUSTIBLE LIQUID. THIS PRODUCT IS DYED DIESEL FUEL. NON TAXABLE USE ONLY. PENALTY FOR TAXABLE USE. CALIFORNIA DIESEL FUEL. MAX 15 PPM SULFUR OR LESS. Dyed Motor Vehicle Fuel for use in all nonroad diesel engines. Not for use in highway vehicles or engines except for tax exempt use in accordance with section 4052 of the Internal Revenue Code.	317	6754	1,061.00	1,061.00	Net	3.365000		3,570.27
Bio-Diesel (B99) CALIFORNIA CARB DIESEL. MAX 15 PPM SULFUR OR LESS. COMBUSTIBLE LIQUID. THIS DIESEL FUEL DOES NOT CONTAIN VISIBLE EVIDENCE OF DYE. THIS DIESEL FUEL IS NOT INTENDED FOR MARINE USE.	317	6751	250.00	250.00	Net	4.350000		1,087.50
****Tax and Other Charges Summary****								
Federal LUST				1,061.00	Net	0.001000		1.06
Federal Oil Spill Tax DSL				1,061.00	Net	0.001900		2.02
Ca Diesel Excise				250.00	Net	0.100000		25.00
AB32 Imp fees - DSL				1,311.00	Net	0.001793		2.35
CA Sales Tax (Red)			\$3,575.25		Gross	7.5000%		268.14
Ca Sales Tax - DSL			\$1,087.95		Gross	9.4400%		102.70
San Francisco Cnty Transit Tax			\$4,663.20		Gross	1.2500%		58.29
****Freight Summary****								
Standard Freight Hourly								0.00

Invoice Total	1,311.00	1,311.00	\$5,117.33
----------------------	-----------------	-----------------	-------------------

****Payment Terms Summary****	
Due by Wed 06/18/2014 (Net 20 Days)	5,117.33



Flyers Energy, LLC
 2360 Lindbergh Street
 Auburn, CA 95602
 (530)885-0401

Invoice No: 14-982733
 Invoice Date: Thu 06/26/2014
 Delivery Date: Thu 06/26/2014
 Lift Date/Time: Thu 06/26/14 08:00a
 Account ID: 13426

Remit To: Flyers Energy, LLC
 Dept #34516
 P.O. Box 39000
 San Francisco, CA 94139-0001
 (800)995-0401

Original

Bill To:	Ship To:
L.B. Rail Company 100 Cargo Way San Francisco, CA 94124	ID: 1 L.B. Rail Company 100 Cargo Way San Francisco, CA 94124

Order No: 379008-14	Reference No.:	P.O. No:
Salesperson: Consumer House Account		

For Billing Inquiries Please Call: Diane Cone at (800) 995-0401 Ext. 2073
 Flyers Energy Pre-Paid Sales Tax # SG KH 78-020495

Description	From Site	BOL No	Gross Units	Net Units	Basis	Unit Price	Discount	Total
ULSD CARB DYED # 2 DSL	317	7149	1,356.00	1,356.00	Net	3.365000		4,562.94
COMBUSTIBLE LIQUID. THIS PRODUCT IS DYED DIESEL FUEL. NON TAXABLE USE ONLY. PENALTY FOR TAXABLE USE. CALIFORNIA DIESEL FUEL. MAX 15 PPM SULFUR OR LESS. Dyed Motor Vehicle Fuel for use in all nonroad diesel engines. Not for use in highway vehicles or engines except for tax exempt use in accordance with section 4082 of the Internal Revenue Code.								

****Tax and Other Charges Summary****

Federal LUST		1,356.00	Net	0.001000	1.36
Federal Oil Spill Tax DSL		1,356.00	Net	0.001900	2.58
AB32 Imp fees - DSL		1,356.00	Net	0.001793	2.43
CA Sales Tax (Red)	\$4,569.31		Gross	7.5000%	342.70
San Francisco Cnty Transit Tax	\$4,569.31		Gross	1.2500%	57.12

****Freight Summary****

Standard Freight Hourly					0.00
-------------------------	--	--	--	--	------

Invoice Total	1,356.00	1,356.00	\$4,969.13
----------------------	-----------------	-----------------	-------------------

****Payment Terms Summary****

Due by Wed 07/16/2014 (Net 20 Days)	4,969.13
-------------------------------------	----------



Flyers Energy, LLC
 2360 Lindbergh Street
 Auburn, CA 95602
 (530)885-0401

Invoice No: 14-989077
 Invoice Date: Mon 07/14/2014
 Delivery Date: Mon 07/14/2014
 Lift Date/Time: Mon 07/14/14 08:00a
 Account ID: 13426

Remit To: Flyers Energy, LLC
 Dept #34516
 P.O. Box 39000
 San Francisco, CA 94139-0001
 (800)995-0401

Original

Bill To:	Ship To:
L.B. Rail Company 100 Cargo Way San Francisco, CA 94124	ID: 1 L.B. Rail Company 100 Cargo Way San Francisco, CA 94124

Order No: 389792-14	Reference No.:	P.O. No:
Salesperson: Consumer House Account		

For Billing Inquiries Please Call: Diane Cone at (800) 995-0401 Ext. 2073
 Flyers Energy Pre-Paid Sales Tax # SG KH 78-020495

Description	From Site	BOL No	Gross Units	Net Units	Basis	Unit Price	Discount	Total
ULSD CARB DYED # 2 DSL	317	1283529	637.00	637.00	Net	3.355000		2,137.14
COMBUSTIBLE LIQUID. THIS PRODUCT IS DYED DIESEL FUEL. NON TAXABLE USE ONLY. PENALTY FOR TAXABLE USE. CALIFORNIA DIESEL FUEL. MAX 15 PPM SULFUR OR LESS. Dyed Motor Vehicle Fuel for use in all nonroad diesel engines. Not for use in highway vehicles or engines except for tax exempt use in accordance with section 4082 of the Internal Revenue Code.								

****Tax and Other Charges Summary****

Federal LUST	637.00	Net	0.001000	0.64
Federal Oil Spill Tax DSL	637.00	Net	0.001900	1.21
AB32 Imp fees - DSL	637.00	Net	0.003237	2.06
CA Sales Tax (Red)	\$2,141.05	Gross	7.5000%	160.58
San Francisco Cnty Transit Tax	\$2,141.05	Gross	1.2500%	26.76

****Freight Summary****

Standard Freight Hourly				0.00
-------------------------	--	--	--	------

PAID
 8/6/14
 267524

Invoice Total	637.00	637.00	\$2,328.39
----------------------	---------------	---------------	-------------------

****Payment Terms Summary****	
Due by Sun 08/03/2014 (Net 20 Days)	2,328.39



Flyers Energy, LLC
 2360 Lindbergh Street
 Auburn, CA 95602
 (530)885-0401

Invoice No: 14-987763
 Invoice Date: Mon 07/14/2014
 Delivery Date: Mon 07/14/2014

Account ID: 13426

Remit To: Flyers Energy, LLC
 Dept #34516
 P.O. Box 39000
 San Francisco, CA 94139-0001
 (800)995-0401

Original

Bill To:	Ship To:
L.B. Rail Company 100 Cargo Way San Francisco, CA 94124	ID: 1 L.B. Rail Company 100 Cargo Way San Francisco, CA 94124

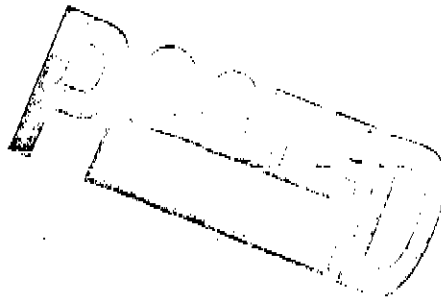
Order No: 387744-14	Reference No.:	P.O. No:
Salesperson: Consumer House Account		

--

Product				Billing			
Warehouse	Description	Package	Quantity	Unit	Quantity	Unit Price	Total
3025	CHEV ULTRA DTY GREASE EP2	120	1.0000	LBS	120.0000	3.16000	379.20
3025	CHEV RPM UN GR LB 85-140	35	2.0000	LBS	70.0000	2.44000	170.80
3025	CHEV DELO 710 LE 20W40	55	1.0000	Gallon	55.0000	16.61000	913.55
3025	JOURNALTEX HD 57	55	1.0000	Gallon	55.0000	15.91000	875.05
3025	FLYERS AW 68	55	1.0000	Gallon	55.0000	9.48000	521.40
3025	FLYERS PREMIUM HD 15W-40	55	1.0000	Gallon	55.0000	11.43000	628.65

****Tax and Other Charges Summary****

California Environmental Oil	0.24000	39.60
CA Sales Tax (Red)		261.66
San Francisco Cnty Transit Tax		44.10



Invoice Total **\$3,834.01**

****Payment Terms Summary****

Due by Thu 07/31/2014 (Net 15 Days) 3,834.01

B. Bara



Flyers Energy, LLC
 2360 Lindbergh Street
 Auburn, CA 95602
 (530)885-0401

Invoice No: 14-993276
 Invoice Date: Wed 07/30/2014
 Delivery Date: Wed 07/30/2014

Account ID: 13426

Remit To: Flyers Energy, LLC
 Dept #34516
 P.O. Box 39000
 San Francisco, CA 94139-0001
 (800)995-0401

Original

Bill To:	Ship To:
L.B. Rail Company 100 Cargo Way San Francisco, CA 94124	ID: 1 L.B. Rail Company 100 Cargo Way San Francisco, CA 94124

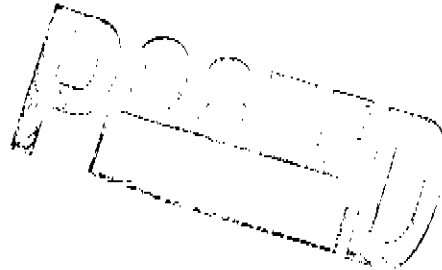
Order No: 396741-14	Reference No.:	P.O. No:
Salesperson: Consumer House Account		

--

Product				Billing			
Warehouse	Description	Package	Quantity	Unit	Quantity	Unit Price	Total
3025	CHEV RPM UN GR LB 85-140	35	1.0000	LBS	35.0000	2.44000	85.40
3025	FLYERS AW 68	55	1.0000	Gallon	55.0000	9.48000	521.40
3025	CHEV ULTRA DTY GREASE EP2	8	1.0000	LBS	8.7500	3.36000	29.40

****Tax and Other Charges Summary****

CA Sales Tax (Red)	47.73
San Francisco Cnty Transit Tax	7.96



Invoice Total **\$691.89**

****Payment Terms Summary****

Due by Sat 08/16/2014 (Net 15 Days) 691.89



Flyers Energy, LLC
 2360 Lindbergh Street
 Auburn, CA 95602
 (530)885-0401

Invoice No: 14-994387
 Invoice Date: Thu 07/31/2014
 Delivery Date: Thu 07/31/2014
 Lift Date/Time: Thu 07/31/14 08:00a
 Account ID: 13426

Remit To: Flyers Energy, LLC
 Dept #34516
 P.O. Box 39000
 San Francisco, CA 94139-0001
 (800)995-0401

Original

Bill To:	Ship To:
L.B. Rail Company 100 Cargo Way San Francisco, CA 94124	ID: 1 L.B. Rail Company 100 Cargo Way San Francisco, CA 94124

Order No: 398425-14	Reference No.:	P.O. No:
Salesperson: Consumer House Account		

For Billing Inquiries Please Call: Diane Cone at (800) 995-0401 Ext. 2073
 Flyers Energy Pre-Paid Sales Tax # SG KH 78-020495

Description	From Site	BOL No	Gross Units	Net Units	Basis	Unit Price	Discount	Total
ULSD CARB DYED # 2 DSL COMBUSTIBLE LIQUID. THIS PRODUCT IS DYED DIESEL FUEL. NON TAXABLE USE ONLY. PENALTY FOR TAXABLE USE. CALIFORNIA DIESEL FUEL. MAX 15 PPM SULFUR OR LESS. Dyed Motor Vehicle Fuel for use in all nonroad diesel engines. Not for use in highway vehicles or engines except for tax exempt use in accordance with section 4082 of the Internal Revenue Code.	317	7644	1,148.00	1,148.00	Net	3.300000		3,788.40
Bio-Diesel (B99) CALIFORNIA CARB DIESEL. MAX 15 PPM SULFUR OR LESS. COMBUSTIBLE LIQUID. THIS DIESEL FUEL DOES NOT CONTAIN VISIBLE EVIDENCE OF DYE. THIS DIESEL FUEL IS NOT INTENDED FOR MARINE USE.	317	7644	250.00	250.00	Net	3.995000		998.75
ULSD CARB DYED # 2 DSL COMBUSTIBLE LIQUID. THIS PRODUCT IS DYED DIESEL FUEL. NON TAXABLE USE ONLY. PENALTY FOR TAXABLE USE. CALIFORNIA DIESEL FUEL. MAX 15 PPM SULFUR OR LESS. Dyed Motor Vehicle Fuel for use in all nonroad diesel engines. Not for use in highway vehicles or engines except for tax exempt use in accordance with section 4082 of the Internal Revenue Code.	317	7644	251.00	251.00	Net	3.300000		828.30
****Tax and Other Charges Summary****								
Federal LUST				1,399.00	Net	0.001000		1.40
Federal Oil Spill Tax DSL				1,399.00	Net	0.001900		2.66
Ca Diesel Excise				250.00	Net	0.110000		27.50
AB32 Imp fees - DSL				1,649.00	Net	0.003237		5.34
CA Sales Tax (Red)			\$4,625.29		Gross	7.5000%		346.90
Ca Sales Tax - DSL			\$999.56		Gross	9.2500%		92.46
San Francisco Cnty Transit Tax			\$5,624.85		Gross	1.2500%		70.30
****Freight Summary****								
Standard Freight Hourly								0.00

Invoice Total	1,649.00	1,649.00	\$6,162.01
----------------------	-----------------	-----------------	-------------------

****Payment Terms Summary****
 Due by Wed 08/20/2014 (Net 20 Days)



Flyers Energy, LLC
 2360 Lindbergh Street
 Auburn, CA 95602
 (530)885-0401

Invoice No: 14-008882
 Invoice Date: Thu 09/11/2014
 Delivery Date: Thu 09/11/2014
 Lift Date/Time: Thu 09/11/14 08:00a
 Account ID: 13426

Remit To: Flyers Energy, LLC
 Dept #34516
 P.O. Box 39000
 San Francisco, CA 94139-0001
 (800)995-0401

Original

Bill To:	Ship To:
L.B. Rail Company 100 Cargo Way San Francisco, CA 94124	ID: 1 L.B. Rail Company 100 Cargo Way San Francisco, CA 94124

Order No: 423055-14	Reference No.:	P.O. No:
Salesperson: Consumer House Account		

For Billing Inquiries Please Call: Diane Cone at (800) 995-0401 Ext. 2073
 Flyers Energy Pre-Paid Sales Tax # SG KH 78-020495

Description	From Site	BOL No	Gross Units	Net Units	Basis	Unit Price	Discount	Total
ULSD CARB DYED # 2 DSL COMBUSTIBLE LIQUID. THIS PRODUCT IS DYED DIESEL FUEL. NON TAXABLE USE ONLY. PENALTY FOR TAXABLE USE. CALIFORNIA DIESEL FUEL. MAX 15 PPM SULFUR OR LESS. Dyed Motor Vehicle Fuel for use in all nonroad diesel engines. Not for use in highway vehicles or engines except for tax exempt use in accordance with section 4082 of the Internal Revenue Code.	317	8178	400.00	400.00	Net	3.235000		1,294.00
ULSD CARB DYED # 2 DSL COMBUSTIBLE LIQUID. THIS PRODUCT IS DYED DIESEL FUEL. NON TAXABLE USE ONLY. PENALTY FOR TAXABLE USE. CALIFORNIA DIESEL FUEL. MAX 15 PPM SULFUR OR LESS. Dyed Motor Vehicle Fuel for use in all nonroad diesel engines. Not for use in highway vehicles or engines except for tax exempt use in accordance with section 4082 of the Internal Revenue Code.	317	8178	250.00	250.00	Net	3.235000		808.75
Bio-Diesel (B99) CALIFORNIA CARB DIESEL. MAX 15 PPM SULFUR OR LESS. COMBUSTIBLE LIQUID. THIS DIESEL FUEL DOES NOT CONTAIN VISIBLE EVIDENCE OF DYE. THIS DIESEL FUEL IS NOT INTENDED FOR MARINE USE.	317	8178	250.00	250.00	Net	4.350000		1,087.50

****Tax and Other Charges Summary****

Federal LUST		650.00	Net	0.001000	0.65
Federal Oil Spill Tax DSL		650.00	Net	0.001900	1.24
Ca Diesel Excise		250.00	Net	0.110000	27.50
AB32 Imp fees - DSL		900.00	Net	0.003237	2.91
CA Sales Tax (Red)	\$2,106.74		Gross	7.5000%	158.00
Ca Sales Tax - DSL	\$1,088.31		Gross	9.2500%	100.67
San Francisco Cnty Transit Tax	\$3,195.05		Gross	1.2500%	39.94

Invoice Total 900.00 **900.00** \$3,521.16

****Payment Terms Summary****

Due by Wed 10/01/2014 (Net 20 Days) 3,521.16



Flyers Energy, LLC
 2360 Lindbergh Street
 Auburn, CA 95602
 (530)885-0401

Invoice No: 14-017706
 Invoice Date: Wed 10/08/2014
 Delivery Date: Wed 10/08/2014
 Lift Date/Time: Wed 10/08/14 08:00a
 Account ID: 13426

Remit To: Flyers Energy, LLC
 Dept #34516
 P.O. Box 39000
 San Francisco, CA 94139-0001
 (800)995-0401

Original

Bill To:	Ship To:
L.B. Rail Company 100 Cargo Way San Francisco, CA 94124	ID: 1 L.B. Rail Company 100 Cargo Way San Francisco, CA 94124

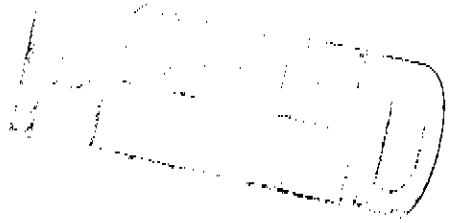
Order No: 437369-14	Reference No.:	P.O. No:
Salesperson: Consumer House Account		

For Billing Inquiries Please Call: Diane Cone at (800) 995-0401 Ext. 2073
 Flyers Energy Pre-Paid Sales Tax # SG KH 78-020495

Description	From Site	BOL No	Gross Units	Net Units	Basis	Unit Price	Discount	Total
ULSD CARB DYED # 2 DSL	317	8610	1,250.00	1,250.00	Net	3.025000		3,781.25
COMBUSTIBLE LIQUID. THIS PRODUCT IS DYED DIESEL FUEL. NON TAXABLE USE ONLY. PENALTY FOR TAXABLE USE. CALIFORNIA DIESEL FUEL. MAX 15 PPM SULFUR OR LESS. Dyed Motor Vehicle Fuel for use in all nonroad diesel engines. Not for use in highway vehicles or engines except for tax exempt use in accordance with section 4082 of the Internal Revenue Code.								

****Tax and Other Charges Summary****

Federal LUST			1,250.00	Net	0.001000		1.25
Federal Oil Spill Tax DSL			1,250.00	Net	0.001900		2.38
AB32 Imp fees - DSL			1,250.00	Net	0.003237		4.05
CA Sales Tax (Red)			\$3,788.93	Gross	7.5000%		284.17
San Francisco Cnty Transit Tax			\$3,788.93	Gross	1.2500%		47.36



Invoice Total	1,250.00	1,250.00	\$4,120.46
----------------------	-----------------	-----------------	-------------------

****Payment Terms Summary****	
Due by Tue 10/28/2014 (Net 20 Days)	4,120.46



Flyers Energy, LLC
 2360 Lindbergh Street
 Auburn, CA 95602
 (530)885-0401

Invoice No: 14-026205
 Invoice Date: Tue 11/04/2014
 Delivery Date: Tue 11/04/2014
 Lift Date/Time: Tue 11/04/14 08:00a
 Account ID: 13426

Remit To: Flyers Energy, LLC
 Dept #34516
 P.O. Box 39000
 San Francisco, CA 94139-0001
 (800)995-0401

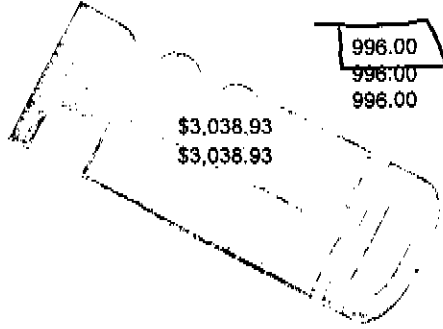
Original

Bill To:	Ship To:
San Francisco Bay Railroad PO Box 882853 San Francisco, CA 94188	ID: 1 L.B. Rail Company 100 Cargo Way San Francisco, CA 94124

Order No: 454411-14	Reference No.:	P.O. No:
Salesperson: Consumer House Account		

For Billing Inquiries Please Call: Diane Cone at (800) 995-0401 Ext. 2073
 Flyers Energy Pre-Paid Sales Tax # SG KH 78-020495

Description	From Site	BOL No	Gross Units	Net Units	Basis	Unit Price	Discount	Total
ULSD CARB DYED # 2 DSL	317	723943	996.00	996.00	Net	3.045000		3,032.82
COMBUSTIBLE LIQUID. THIS PRODUCT IS DYED DIESEL FUEL. NON TAXABLE USE ONLY. PENALTY FOR TAXABLE USE. CALIFORNIA DIESEL FUEL. MAX 15 PPM SULFUR OR LESS. Dyed Motor Vehicle Fuel for use in all nonroad diesel engines. Not for use in highway vehicles or engines except for tax exempt use in accordance with section 4082 of the Internal Revenue Code.								
****Tax and Other Charges Summary****								
Federal LUST				996.00	Net	0.001000		1.00
Federal Oil Spill Tax DSL				996.00	Net	0.001900		1.89
AB32 Imp fees - DSL				996.00	Net	0.003237		3.22
CA Sales Tax (Red)			\$3,038.93		Gross	7.5000%		227.92
San Francisco Cnty Transit Tax			\$3,038.93		Gross	1.2500%		37.99



Invoice Total	996.00	996.00	\$3,304.84
----------------------	---------------	---------------	-------------------

****Payment Terms Summary****	
Due by Mon 11/24/2014 (Net 20 Days)	3,304.84



San Francisco Bay Railroad
100 Cargo Way
San Francisco, CA 94124

First Republic Bank
999 Adams Street, Suite 401
Saint Helena, CA 94574
707-968-0888 / 800-392-1407 (Cust Service)

54439

11-8166/3210

1/14/2015

PAY TO THE ORDER OF FLYERS ENERGY, LLC

\$2,324.72

Two Thousand Three Hundred Twenty-Four and 72/100 ***** DOLLARS

FLYERS ENERGY, LLC
Dept#34516
P.O. Box 39000
San Francisco, CA 94139-0001

MEMO 894 GALS

⑈054439⑈ ⑆321081669⑆ 80000115775⑈

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

Handwritten: PAY TO ORDER OF FLYERS ENERGY, LLC

San Francisco Bay Railroad • 100 Cargo Way • San Francisco, CA 94124
FLYERS ENERGY, LLC

Date Type Reference
12/10/2014 Bill 14-037959

Original Amt.
2,324.72

Balance Due
2,324.72

1/14/2015
Discount

54439

Payment
2,324.72
2,324.72

Check Amount

First Republic Bank

894 GALS

2,324.72

San Francisco, CA 94139-0001

MEMO 894 GALS

⑈054439⑈ ⑆321081669⑆ 80000115775⑈

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

Handwritten signature

San Francisco Bay Railroad • 100 Cargo Way • San Francisco, CA 94124
FLYERS ENERGY, LLC

Date Type Reference
12/10/2014 Bill 14-037959

Original Amt.
2,324.72

Balance Due
2,324.72

1/14/2015
Discount

54439

Payment
2,324.72
2,324.72

Check Amount



San Francisco Bay Railroad
 100 Cargo Way
 San Francisco, CA 94124

First Republic Bank
 999 Adams Street, Suite 400
 Saint Helena, CA 94577
 707-968-0988 / 800-392-1407 (Toll Service)
 11-8166/3210

54582

3/27/2015

PAY TO THE ORDER OF **FLYERS ENERGY, LLC**

\$ **3,260.85

Three Thousand Two Hundred Sixty and 85/100 ***** DOLLARS

FLYERS ENERGY, LLC
 Dept#34516
 P.O. Box 39000
 San Francisco, CA 94139-0001

[Handwritten Signature]

MEMO 1254 GALS

⑈054582⑈ ⑆321081669⑆ 80000115??5⑈

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

San Francisco Bay Railroad • 100 Cargo Way • San Francisco, CA 94124
FLYERS ENERGY, LLC

Date	Type	Reference
2/9/2015	Bill	15-056913

Original Amt	Balance Due
3,260.85	3,260.85

3/27/2015	54582
Discount	Payment
	3,260.85
Check Amount	3,260.85

First Republic Bank

1254 GALS

3,260.85

San Francisco Bay Railroad • 100 Cargo Way • San Francisco, CA 94124
FLYERS ENERGY, LLC

Date	Type	Reference
2/9/2015	Bill	15-056913

Original Amt.	Balance Due
3,260.85	3,260.85

3/27/2015	54582
Discount	Payment
	3,260.85
Check Amount	3,260.85

First Republic Bank

1254 GALS

3,260.85

TRANSMISSION REPORT

(TUE) APR 14 2015 13:16

User/Account :
 DESTINATION : 15308834054
 DEST. NUMBER : 15308834054
 F-CODE :

DOCUMENT# : 7528634-236
 TIME STORED : APR 14 13:15
 TX START : APR 14 13:15
 DURATION : 18sec
 COM. MODE : ECM

PAGES : 1page
 RESULT : OK



San Francisco Bay Railroad
 100 Cargo Way
 San Francisco, CA 94124

First Republic Bank
 369 Adams Street, Suite 401
 Saint Helena, CA 94574
 707-988-0988 / 800-392-1407 (Cust Service)

54618

11-8166/3210

4/14/2015

PAY TO THE ORDER OF **FLYERS ENERGY, LLC**

\$ **2,455.97

Two Thousand Four Hundred Fifty-Five and 97/100

DOLLARS

FLYERS ENERGY, LLC
 Dept#34516
 P.O. Box 39000
 San Francisco, CA 94139-0001

MEMO

990 gals @ 2.48

⑈054618⑈ ⑆321081669⑆ 80000115775⑈

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

San Francisco Bay Railroad - 100 Cargo Way - San Francisco, CA 94124

FLYERS ENERGY, LLC

Date	Type	Reference
3/12/2015	Bill	15-068522

Original Amt.	2,455.97
---------------	----------

Balance Due	2,455.97
-------------	----------

4/14/2015

Discount

Check Amount

54618

Payment

2,455.97

2,455.97

Handwritten: J30 - 865 - 4014



San Francisco Bay Railroad
 100 Cargo Way
 San Francisco, CA 94124

First Republic Bank
 999 Adams Street, Suite 401
 Saint Helena, CA 94574
 707-968-0988 / 800-392-1407 (Cust Service)

54698

11-8166/0210

5/30/2015

PAY TO THE ORDER OF FLYERS ENERGY, LLC

\$ 3,565.07

Three Thousand Five Hundred Sixty-Five and 07/100 DOLLARS

FLYERS ENERGY, LLC
 Dept#34516
 P.O. Box 39000
 San Francisco, CA 94139-0001

MEMO
 1285 GALS

⑈054698⑈ ⑆321081669⑆ 80000115775⑈

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

San Francisco Bay Railroad • 100 Cargo Way • San Francisco, CA 94124

54698

FLYERS ENERGY, LLC

Date	Type	Reference	Original Amt.	Balance Due	5/30/2015 Discount	Payment
4/21/2015	Bill	15-82272	3,565.07	3,565.07		3,565.07
					Check Amount	3,565.07

FAXED
06/02/2015

First Republic Bank

1285 GALS

3,565.07

54698

San Francisco Bay Railroad • 100 Cargo Way • San Francisco, CA 94124

FLYERS ENERGY, LLC

Date	Type	Reference	Original Amt.	Balance Due	5/30/2015 Discount	Payment
4/21/2015	Bill	15-82272	3,565.07	3,565.07		3,565.07
					Check Amount	3,565.07

First Republic Bank

1285 GALS

3,565.07

TRANSMISSION REPORT

(FRI) JUN 26 2015 14:16

User /Account :
DESTINATION : 15308634054
DEST. NUMBER : 15308634054
F-CODE :

DOCUMENT# : 7528634-468
TIME STORED : JUN 26 14:16
TX START : JUN 26 14:16
DURATION : 17sec
COM. MODE : ECM

PAGES : 1page
RESULT : OK



San Francisco Bay Railroad
100 Cargo Way
San Francisco, CA 94124

First Republic Bank
999 Adams Street, Suite 401
San Francisco, CA 94104
707-908-0988 / 800-392-1407 (Cust Service)
11-8166/3210

54729

6/26/2015

PAY TO THE ORDER OF FLYERS ENERGY, LLC

\$ 3,924.76

Three Thousand Nine Hundred Twenty-Four and 76/100

DOLLARS

FLYERS ENERGY, LLC
Dept#34516
P.O. Box 39000
San Francisco, CA 94139-0001

MEMO

⑈054729⑈ ⑆321081669⑆ 80000115775⑈

SECURITY FEATURES INCLUDED, DETAILS ON BACK.

San Francisco Bay Railroad - 100 Cargo Way - San Francisco, CA 94124

FLYERS ENERGY, LLC

Date Type Reference
5/16/2015 Bill 15-90594

Original Amt.
3,924.76

Balance Due
3,924.76

6/26/2015
Discount

Check Amount

54729
Payment
3,924.76
3,924.76

TRANSMISSION REPORT

(WED) JUL 15 2015 15:55

User /Account :
DESTINATION : 15308855851
DEST. NUMBER : 15308855851
F-CODE :

DOCUMENT# : 7528834-543
TIME STORED : JUL 15 15:55
TX START : JUL 15 15:55
DURATION : 17sec
COM. MODE : ECM

PAGES : 1page
RESULT : OK



San Francisco Bay Railroad
100 Cargo Way
San Francisco, CA 94124

First Republic Bank
909 Adams Street, Suite 401
Saint Helena, CA 94574
707-968-0986 / 800-392-1407 (Cust Service)

11-8166/3210

54748

7/10/2015

PAY TO THE ORDER OF FLYERS ENERGY, LLC

\$ **2,927.90

Two Thousand Nine Hundred Twenty-Seven and 90/100 ***** DOLLARS

FLYERS ENERGY, LLC
Dept#34516
P.O. Box 39000
San Francisco, CA 94139-0001

MEMO

⑆054748⑆ ⑆321081669⑆ 80000115775⑆

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

San Francisco Bay Railroad - 100 Cargo Way - San Francisco, CA 94124
FLYERS ENERGY, LLC

Date	Type	Reference	Original Amt.	Balance Due	7/10/2015 Discount	54748 Payment
6/17/2015	Bill	104940	2,927.90	2,927.90		2,927.90
					Check Amount	2,927.90

V320 - HSP - VRT

TRANSMISSION REPORT

(MON) AUG 31 2015 18:50

User /Account :
DESTINATION : 15308855851
DEST. NUMBER : 15308855851
F-CODE :

DOCUMENT# : 7526634-700
TIME STORED : AUG 31 18:50
TX START : AUG 31 18:50
DURATION : 17sec
COM. MODE : ECH

PAGES : 1page
RESULT : OK

PAID



San Francisco Bay Railroad
100 Cargo Way
San Francisco, CA 94124

First Republic Bank
889 Adams Street, Suite 401
Saint Helena, CA 94574
707-266-0988 / 800-392-1407 (Cust. Service)

11-8166/3210

54838

8/28/2015

PAY TO THE ORDER OF FLYERS ENERGY, LLC

\$2,667.11

Two Thousand Six Hundred Sixty-Seven and 11/100 ***** DOLLARS

FLYERS ENERGY, LLC
Dept#34516
P.O. Box 39000
San Francisco, CA 94139-0001

[Signature]

MEMO 1127 GALS

⑈054838⑈ ⑆321081669⑆ 80000115775⑈

SECURITY FEATURES INCLUDED, DETAILS ON BACK.

San Francisco Bay Railroad - 100 Cargo Way - San Francisco, CA 94124
FLYERS ENERGY, LLC

Date	Type	Reference	Original Amt.	Balance Due	8/28/2015 Discount	Payment
8/14/2015	Bill	15-119522	2,667.11	2,667.11		2,667.11
					Check Amount	2,667.11

54838

530-82-1871

TRANSMISSION REPORT

(THU) OCT 8 2015 17:27

User /Account :
DESTINATION : 15308855851
DEST. NUMBER : 15308855851

DOCUMENT# : 7526634-816
TIME STORED : OCT 8 17:27
TX START : OCT 8 17:27
DURATION : 18sec
COM. MODE : ECM

PAGES : 1page
RESULT : OK



San Francisco Bay Railroad
100 Cargo Way
San Francisco, CA 94124

First Republic Bank
999 Adams Street, Suite 401
San Helena, CA 94574
707-968-0988 / 800-392-1467 (Cust Service)

54904

11-81663210

10/8/2015

PAY TO THE ORDER OF FLYERS ENERGY, LLC

\$ **2,518.60

Two Thousand Five Hundred Eighteen and 60/100

DOLLARS

FLYERS ENERGY, LLC
Dept#34516
P.O. Box 39000
San Francisco, CA 94139-0001

MEMO

1169 GALS

⑈054904⑈ ⑆321081669⑆ 80000165775⑈

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

San Francisco Bay Railroad - 100 Cargo Way - San Francisco, CA 94124

FLYERS ENERGY, LLC

Date Type Reference
8/27/2015 Bill 15-128646

Original Amt. Balance Due
2,518.60 2,518.60

10/8/2015 Discount Payment
Check Amount 2,518.60

54904

FAX # 500 - 885 - 5851

TRANSMISSION REPORT

(FRI) NOV 13 2015 9:43

User /Account :
DESTINATION : 15308855851
DEST. NUMBER : 15308855851
F-CODE :

DOCUMENT# : 7528834-897
TIME STORED : NOV 13 9:42
TX START : NOV 13 9:42
DURATION : 18sec
COM. MODE : ECM

PAGES : 1page
RESULT : OK



San Francisco Bay Railroad
100 Cargo Way
San Francisco, CA 94124

First Republic Bank
999 Adams Street, Suite 401
Saint Helena, CA 94754
707-968-0888 / 800-392-1407 (Cust Service)

11-8166/3210

54963

10/30/2015

PAY TO THE ORDER OF FLYERS ENERGY, LLC

\$ **3,154.25

Three Thousand One Hundred Fifty-Four and 25/100 ***** DOLLARS

FLYERS ENERGY, LLC
Dept#34516
P.O. Box 39000
San Francisco, CA 94139-0001

MEMO

1428 GALS

⑈054963⑈ ⑆321081669⑆ 80000115775⑈

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

San Francisco Bay Railroad - 100 Cargo Way - San Francisco, CA 94124

Date	Type	Reference	Original Amt.	Balance Due	10/30/2015 Discount	54963 Payment
10/30/2015	Bill	15-156497	3,154.25	3,154.25		3,154.25
					Check Amount	3,154.25

✓ 30 - JAT - JRS

TRANSMISSION REPORT

(FRI) NOV 20 2015 16:43

User/Account :
DESTINATION : 15308855851
DEST. NUMBER : 15308855851
F-CODE :

DOCUMENT# : 7526634-023
TIME STORED : NOV 20 16:43
TX START : NOV 20 16:43
DURATION : 18sec
COM. MODE : ECM

PAGES : 1page
RESULT : OK



San Francisco Bay Railroad
100 Cargo Way
San Francisco, CA 94124

First Republic Bank
999 Adams Street, Suite 401
SANTALITA, CA 94574
707-948-0988 / 800-392-1407 (Cust Service)
11-9166/3210

54995

11/20/2015

PAY TO THE ORDER OF FLYERS ENERGY, LLC

\$ **3,384.28

Three Thousand Three Hundred Eighty-Four and 28/100 ***** DOLLARS

FLYERS ENERGY, LLC
Dept#34516
P.O. Box 39000
San Francisco, CA 94139-0001

MEMO 1,318 GALS

⑆054995⑆ ⑆321081669⑆ 80000115775⑆

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

San Francisco Bay Railroad - 100 Cargo Way - San Francisco, CA 94124

Date	Type	Reference	Original Amt.	Balance Due	11/20/2015 Discount	54995 Payment
10/31/2015	Bill	15-148731	3,384.28	3,384.28		3,384.28
					Check Amount	3,384.28



San Francisco Bay Railroad
 100 Cargo Way
 San Francisco, CA 94124

First Republic Bank
 999 Adams Street, Suite 401
 Saint Helena, CA 94574
 707-966-0988 / 800-392-1407 (Cust Service)

55092

San Francisco Bay Railroad

11-8166/3210

12/31/2015

PAY TO THE ORDER OF FLYERS ENERGY, LLC

\$4,768.00

Four Thousand Seven Hundred Sixty-Eight and 00/100 ***** DOLLARS

FLYERS ENERGY, LLC
 Dept#34516
 P.O. Box 39000
 San Francisco, CA 94139-0001

[Handwritten Signature]

MEMO

⑆055092⑆ ⑆321081669⑆ 80000115775⑆

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

55092

San Francisco Bay Railroad • 100 Cargo Way • San Francisco, CA 94124

FLYERS ENERGY, LLC

Date	Type	Reference	Original Amt.	Balance Due	12/31/2015 Discount	Payment
11/19/2015	Bill	15-167045	2,462.02	2,462.02		2,462.02
12/9/2015	Bill	15-176698	2,305.98	2,305.98		2,305.98
					Check Amount	4,768.00

FAX # 530-863-4074

First Republic Bank

4,768.00

San Francisco Bay Railroad • 100 Cargo Way • San Francisco, CA 94124

FLYERS ENERGY, LLC

55092

Date	Type	Reference	Original Amt.	Balance Due	12/31/2015 Discount	Payment
11/19/2015	Bill	15-167045	2,462.02	2,462.02		2,462.02
12/9/2015	Bill	15-176698	2,305.98	2,305.98		2,305.98
					Check Amount	4,768.00

FAX # 530-863-4074

First Republic Bank

4,768.00

Attachment B

SFBR Rail Equipment Insurance Policy



Report Claims Immediately by Calling*

1-800-238-6225

*Speak directly with a claim professional
24 hours a day, 365 days a year*

*Unless Your Policy Requires **Written** Notice or Reporting

COMMERCIAL INSURANCE

A Custom Insurance Policy Prepared for:

**SAN FRANCISCO BAY RAILROAD;
WASTE SOLUTIONS GROUP
100 CARGO WAY AT PIER 96
RAILYARD
SAN FRANCISCO CA 94124**

Presented by: BB&T-TANNER INSURANCE



TRAVELERS CORP. TEL: 1-800-328-2189
COMMERCIAL INLAND MARINE
COMMON POLICY DECLARATIONS
ISSUE DATE: 04/24/15
POLICY NUMBER: QT-660-7719M542-TIL-15

INSURING COMPANY:
TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA

1. NAMED INSURED AND MAILING ADDRESS:
SAN FRANCISCO BAY RAILROAD;
WASTE SOLUTIONS GROUP
100 CARGO WAY AT PIER 96
RAILYARD
SAN FRANCISCO, CA 94124

2. POLICY PERIOD: From 07/01/15 to 07/01/16 12:01 A.M. Standard Time at
your mailing address.

3. LOCATIONS
Premises Bldg.
Loc. No. No. Occupancy Address

SEE IL T0 03

4. COVERAGE PARTS FORMING PART OF THIS POLICY AND INSURING COMPANIES:
COMMERCIAL PROPERTY COV PART DECLARATIONS CP TO 11 01 03 TIL
COMMERCIAL INLAND MARINE COV PART DECLARATIONS CM TO 01 07 86 TIL

5. NUMBERS OF FORMS AND ENDORSEMENTS
FORMING A PART OF THIS POLICY: SEE IL T8 01 10 93

6. SUPPLEMENTAL POLICIES: Each of the following is a separate policy
containing its complete provisions:
Policy Policy No. Insuring Company

DIRECT BILL
7. PREMIUM SUMMARY:
Provisional Premium \$ 2,099
Due at Inception \$
Due at Each \$

NAME AND ADDRESS OF AGENT OR BROKER:
BB&T-TANNER INSURANCE (HE800)
4480 WILLOW RD STE 110
PLEASANTON, CA 94588

COUNTERSIGNED BY:

Authorized Representative

DATE: _____

POLICY NUMBER: QT-660-7719M542-TIL-15

EFFECTIVE DATE: 07-01-15

ISSUE DATE: 04-24-15

LISTING OF FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS

THIS LISTING SHOWS THE NUMBER OF FORMS, SCHEDULES AND ENDORSEMENTS BY LINE OF BUSINESS.

IL T0 02 11 89	COMMON POLICY DECLARATIONS
IL T8 01 10 93	FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS
IL T0 01 01 07	COMMON POLICY CONDITIONS
IL T0 03 04 96	LOCATION SCHEDULE

COMMERCIAL PROPERTY

CP T0 11 01 03	COMMERCIAL PROPERTY DECLARATIONS
CP T0 00 02 11	TABLE OF CONTENTS COMMERCIAL PROPERTY
CP 00 90 07 88	COMMERCIAL PROPERTY CONDITIONS
CP T1 00 01 03	BUILDING & PERSONAL PROPERTY COV FORM
CP T1 08 01 03	CAUSES OF LOSS-SPECIAL FORM
CP T3 68 09 06	FUNGUS, ROT, BACTERIA CAUSES OF LOSS
CP T3 69 04 02	ELECTRONIC VANDALISM LIMITATION
CP T3 38 06 10	PROPERTY EXTRA
CP T3 81 01 15	FEDERAL TERRORISM RISK INSURANCE ACT DIS

INLAND MARINE

CM A0 28 08 96	IMPAK COVERAGE PART DECLARATIONS
CM T0 77 02 08	RAILROAD ROLLING STOCK COV FORM DEC
CM T3 71 08 96	IM PAK COVERAGE SUMMARY
CM T0 28 08 96	IM PAK COV CONTRACTORS EQUIP SCHEDULE
CM T0 11 08 05	TABLE OF CONTENTS
CM 00 01 09 04	COMMERCIAL INLAND MARINE CONDITIONS
CM T8 94 09 93	LOSS PAYABLE PROVISIONS
CM T1 43 08 96	IMPAK COVERAGE FORM
CM T1 92 02 08	RAILROAD ROLLING STOCK COVERAGE FORM
CM T3 98 01 15	FEDERAL TERRORISM RISK INSURANCE ACT DIS
CM T8 83 11 95	ADDITIONAL INSURED
CM T5 26 02 08	RAILROAD ROLLING STOCK "REPL ITEMS" COV
CM T5 30 02 08	RR ROLLING STOCK "FLAT WHEEL" COVERAGE
CM T5 37 02 08	RR ROLLING STOCK DMG TRACK & ROADBED COV
CM T5 60 01 10	BLANKET LOSS PAYEES

INTERLINE ENDORSEMENTS

IL T4 14 01 15	CAP ON LOSSES CERTIFIED ACT OF TERRORISM
IL T3 82 05 13	EXCL OF LOSS DUE TO VIRUS OR BACTERIA
IL F1 00 06 13	CALIFORNIA CHANGES - REPLACEMENT COST
IL 01 02 05 05	CALIFORNIA CHANGES - ACTUAL CASH VALUE
IL 01 04 09 07	CALIFORNIA CHANGES
IL 02 70 09 12	CALIFORNIA CHANGES - CANC AND NONRENEWAL



POLICY NUMBER: QT-660-7719M542-TIL-15
EFFECTIVE DATE: 07-01-15
ISSUE DATE: 04-24-15

INTERLINE ENDORSEMENTS (CONTINUED)

IL T3 55 05 13 EXCLUSION OF CERTAIN COMPUTER LOSSES

LOCATION SCHEDULE

POLICY NUMBER: QT-660-7719M542-TIL-15

This Schedule of Locations and Buildings applies to the Common Policy Declarations for the period
07-01-15 to 07-01-16 .

Loc. No.	Bldg. No.	Address	Occupancy
1	1	100 CARGO WAY AT PIER 96 RAILYARD SAN FRANCISCO, CA 94124	OFFICE/RAIL YARD



COMMERCIAL PROPERTY
COVERAGE PART DECLARATIONS

POLICY NUMBER: QT-660-7719M542-TIL-15
ISSUE DATE: 04-24-15

INSURING COMPANY:
TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA

DECLARATIONS PERIOD: From 07/01/15 to 07/01/16 12:01 A.M. Standard Time at your mailing address shown in the Common Policy Declarations.

The Commercial Property Coverage Part consists of these Declarations and the attached Supplemental Declaration(s), Schedule(s), Table of Contents, Commercial Property Conditions, the Coverage Form(s), the Cause of Loss Form(s) and endorsements.

- 1. COVERAGE - Insurance applies only to premises location(s) and building number(s) shown below for the coverage(s), optional coverage(s) or coverage option(s) indicated in this Declarations or specified in any endorsements attached to this Coverage Part.
- 2. DEDUCTIBLE - The following deductible applies unless a different or more specific deductible is indicated within this Declarations or by endorsement.

\$ 1,000 per occurrence

PREMISES LOCATION NO. 0001 BUILDING NO. 0001

COVERAGE	LIMIT OF INSURANCE	COINSURANCE	CAUSES OF LOSS
Your Business Personal Property Replacement Cost applies	\$ 20,000	90%	Special



COMMERCIAL PROPERTY
COVERAGE PART DECLARATIONS

POLICY NUMBER: QT-660-7719M542-TIL-15
ISSUE DATE: 04-24-15

SUPPLEMENTAL DECLARATIONS

ADDITIONAL COVERAGES & COVERAGE EXTENSIONS

The following Additional Coverages and Coverage Extensions are provided under the Coverage Form(s) listed below for the Limits of Insurance shown. These Limits of Insurance apply in any one occurrence unless otherwise stated.

Some of these Additional Coverages and Coverage Extensions, or the applicable Limits of Insurance, may be modified by endorsements attached to this policy. There may also be other Additional Coverages or Coverage Extensions within your policy. Please read it carefully.

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Additional Coverages	Limit of Insurance
Debris Removal	
- Additional Amount at each described premises	\$ 25,000
Pollutant Cleanup and Removal	
- 12 Month Aggregate Limit	\$ 25,000
Preservation of Property	Policy Limit
Fire Department Service Charge	\$ 5,000
Reward Coverage	
- Maximum Limit	\$ 5,000
Increased Cost of Construction	
- At each described premises	\$ 10,000
Fire Protective Equipment Discharge	\$ 5,000
 Coverage Extensions	
Newly Acquired or Constructed Property	
- Each Building	\$ 500,000
- Personal Property in total, at each premises	\$ 250,000
Personal Effects and Property of Others	
- At each described premises	\$ 10,000
- Any one employee	\$ 2,500
Valuable Papers and Records	
- At each described premises	\$ 10,000
Property Off-Premises	
- At any installation premises or temporary storage premises while awaiting installation	\$ 10,000
- At any other premises you do not own, lease, or regularly operate including fairs, trade shows and "exhibitions"	\$ 25,000
Temporary Relocation of Property	\$ 50,000
Outdoor Property	\$ 10,000
- Any one tree, shrub or plant	\$ 500
- Any one antenna	\$ 2,500
Claim Data Expense	\$ 2,500

CP T0 11 01 03



COMMERCIAL PROPERTY
COVERAGE PART DECLARATIONS

POLICY NUMBER: QT-660-7719M542-TIL-15
ISSUE DATE: 04-24-15

BUILDING AND PERSONAL PROPERTY COVERAGE FORM (continued)

Coverage Extensions	Limit of Insurance
Extra Expense (including Expediting Expenses)	\$ 2,500
Accounts Receivable	
- At each described premises	\$ 10,000
Non-Owned Detached Trailers	\$ 5,000
Outside Signs	\$ 2,500
Covered Property in Transit	\$ 10,000
Duplicate Electronic Data Processing Data & Media	\$ 10,000
Electronic Data Processing Equipment and Data & Media - Limited	\$ 10,000
Theft Damage to Rented Property	Policy Limit

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGUS, WET ROT OR DRY ROT AND OTHER CAUSES OF LOSS CHANGES

This endorsement modifies insurance provided under the following:
COMMERCIAL PROPERTY COVERAGE PART

A. SCHEDULE

Limited "Fungus", Wet Rot or Dry Rot Coverage:

Direct Damage – Increased Limit of Insurance \$

Business Income/Extra Expense – Increased Number of Days

B. THE CAUSES OF LOSS – BASIC FORM, CAUSES OF LOSS – BROAD FORM AND CAUSES OF LOSS – SPECIAL FORM are re- vised as follows:

1. The following exclusion is added to Section B.1.:

"Fungus", Wet Rot or Dry Rot

- a. We will not pay for loss or damage, or any increase in the amount of loss or damage, caused directly or indirectly by or resulting from the presence, growth, proliferation, spread or any activity of "fungus", wet rot or dry rot.

But if "fungus", wet rot or dry rot results in a:

- (1) Covered Cause of Loss under the CAUSES OF LOSS – BASIC FORM or CAUSES OF LOSS – BROAD FORM; or
- (2) "Specified cause of loss" under the CAUSES OF LOSS – SPECIAL FORM;

we will pay for the loss or damage caused by that "specified cause of loss".

- b. This exclusion does not apply:

- (1) When "fungus", wet rot or dry rot results from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage - Limited "Fungus", Wet Rot or Dry Rot in Section B.2. of this endorsement with respect to loss or damage by a cause of loss other than fire or lightning.

2. The following Additional Coverage is added:

Additional Coverage - Limited "Fungus", Wet Rot or Dry Rot

- a. The coverage described in b. and c. below only applies when the "fungus", wet rot or dry rot is the result of:

- (1) A Covered Cause of Loss, other than fire or lightning, that occurs during the policy period when the CAUSES OF LOSS – BASIC FORM or CAUSES OF LOSS – BROAD FORM applies; or
- (2) A "specified cause of loss", other than fire or lightning, that occurs during the policy period when the CAUSES OF LOSS – SPECIAL FORM applies;

and only if all reasonable means have been used to save and preserve the property from further damage at the time of and after that occurrence.

- b. Limited "Fungus", Wet Rot or Dry Rot Coverage – Direct Damage

- (1) We will pay for direct physical loss or damage to Covered Property caused by "fungus", wet rot or dry rot, including:

- (a) The cost of removal of the "fungus", wet rot or dry rot;
- (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet rot or dry rot; and
- (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged

COMMERCIAL PROPERTY

property is completed, provided there is a reason to believe that "fungus", wet rot or dry rot are present.

- (2) The coverage described in **b.(1)** above is limited to \$15,000 unless an Increased Limit of Insurance is indicated in the Schedule of this endorsement for Limited "Fungus", Wet Rot and Dry Rot Coverage – Direct Damage. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of:

- (a) Covered Causes of Loss (other than fire or lightning) under the CAUSES OF LOSS – BASIC FORM or CAUSES OF LOSS – BROAD FORM; or
- (b) "Specified causes of loss" (other than fire or lightning) under the CAUSES OF LOSS – SPECIAL FORM;

which take place in a 12 month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet rot or dry rot, we will not pay more than a total of this annual limit even if the "fungus", wet rot or dry rot continues to be present or active, or recurs, in a later policy period.

- (3) The coverage provided under this Limited "Fungus", Wet Rot or Dry Rot Coverage – Direct Damage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet rot or dry rot, and other loss or damage, we will not pay more for the total of all loss or damage than the applicable Limit of Insurance on the Covered Property.
- (4) If there is covered loss or damage to Covered Property that is not caused by "fungus", wet rot or dry rot, loss payment will not be limited by the terms of this Limited "Fungus", Wet Rot or Dry Rot Coverage – Direct Damage, except to the extent that

"fungus", wet rot or dry rot causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited "Fungus", Wet Rot or Dry Rot Coverage – Direct Damage.

- c. Limited "Fungus", Wet Rot or Dry Rot Coverage – Business Income and Extra Expense

The following Limited "Fungus", Wet Rot or Dry Rot Coverage provisions for Business Income and Extra Expense apply only if Business Income and/or Extra Expense coverage applies to the described premises and only if the "suspension" of "operations" satisfies all of the terms of the applicable Business Income and/or Extra Expense coverage:

- (1) If the loss which results in the "fungus", wet rot or dry rot does not in itself necessitate a "suspension" of "operations", but such "suspension" of "operations" is necessary due to loss or damage to property at the described premises caused by "fungus", wet rot or dry rot, then our payment for Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
- (2) If a covered "suspension" of "operations" is caused by loss or damage at the described premises by other than "fungus", wet rot or dry rot, but remediation of "fungus", wet rot or dry rot prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay, regardless of when such a delay occurs during the "period of restoration", but such coverage is limited to 30 days. The days need not be consecutive.

When an Increased Number of Days is indicated in the Schedule of this endorsement for Limited "Fungus", Wet Rot or Dry Rot Coverage – Business Income and Extra Expense, the "30 days" in paragraphs **c.(1)** and **c.(2)** above is deleted and replaced by the number of days indicated in the Schedule.

The coverage provided under this Limited "Fungus", Wet Rot or Dry Rot Cov-

erage – Business Income and Extra Expense is included in, and does not increase the applicable Business Income and/or Extra Expense Limit of Insurance.

- d. The terms of this Limited Coverage do not increase or reduce the coverage provided in:

(1) The CAUSES OF LOSS – BASIC FORM under paragraph 9.a.(2) of Covered Causes of Loss A.9., Sprinkler Leakage;

(2) The CAUSES OF LOSS – BROAD FORM under paragraph 9.a.(2) of Covered Causes of Loss A.9., Sprinkler Leakage, or under Covered Causes of Loss Water Damage, for the cost to tear out and replace parts of the building or structure to repair damage to the system or appliance from which water or steam escapes, or under the Additional Coverage – Collapse; or

(3) The CAUSES OF LOSS – SPECIAL FORM under the Water Damage, Other Liquids, Powder or Molten Material Damage Additional Coverage Extension or under the Additional Coverage – Collapse.

3. The following Definition is added:

"Fungus" means any type or form of fungus, including but not limited to mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

C. ADDITIONAL CHANGE TO THE CAUSES OF LOSS – BROAD FORM

The following is added under paragraph b. of the Falling Objects Covered Causes of Loss in Section A.:

Any portion of a building or structure that is within the exterior-facing surface material of a building or structure shall constitute the interior of that building or structure.

D. ADDITIONAL CHANGES TO THE CAUSES OF LOSS – SPECIAL FORM

1. Under exclusion B.2.d.(2), reference to fungus is deleted.

E. ORDINANCE OR LAW COVERAGE CHANGE

Under:

1. Ordinance or Law Coverage endorsement CP 04 05;
2. Ordinance or Law – Increased "Period of Restoration" endorsement CP 15 31; and
3. Any other Ordinance or Law coverage or Ordinance or Law – Increased "Period of Restoration" coverage provided under this Coverage Part;

the following exclusion is added:

This coverage does not apply to:

- a. Loss caused by or resulting from the enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to the presence, growth, proliferation, spread or any activity of "fungus", wet rot or dry rot; or
- b. Costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "fungus", wet rot or dry rot.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ELECTRONIC VANDALISM LIMITATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

When included in this policy, this endorsement also modifies insurance provided under the COMMERCIAL INLAND MARINE COVERAGE PART.

SCHEDULE

Electronic Vandalism Limit of Insurance,
aggregate in any 12-month period of this policy: **\$10,000** unless a higher limit is shown: \$

This endorsement limits the insurance provided under this policy for direct physical loss or damage caused by or resulting from "electronic vandalism" and for loss that is a consequence of such direct physical loss or damage.

A. LIMITATION – ELECTRONIC VANDALISM

The following LIMITATION is added:

The most we will pay for all loss or damage caused directly or indirectly by or resulting from "electronic vandalism" in any one policy year, commencing with the inception date of this endorsement, is the Electronic Vandalism Limit of Insurance shown in the Schedule of this endorsement. This limit:

1. Applies regardless of the number of locations, items or types of property or coverages or Coverage Forms involved; and
2. Is part of, and does not increase the Limits of Insurance provided under this policy.

But if "electronic vandalism" results in a "specified cause of loss", other than vandalism, this limitation will not apply to the resulting loss or damage caused by that "specified cause of loss".

B. ELECTRONIC VANDALISM MINIMUM DEDUCTIBLE

The following deductible provision is added and applies to all coverages, including Extra Expense:

The DEDUCTIBLE provisions of this policy continue to apply. But in no event will the total of all applicable deductible amounts applied in any one occurrence of "electronic vandalism" be less than \$1,000.

C. ELECTRONIC VANDALISM DEFINED

"**Electronic Vandalism**", as used in this endorsement means:

1. Willful or malicious destruction of computer programs, content, instructions or other electronic or digital data stored within computer systems.
2. Unauthorized computer code or programming that:
 - a. Deletes, distorts, corrupts or manipulates computer programs, content, instructions or other electronic or digital data, or otherwise results in damage to computers or computer systems or networks to which it is introduced;
 - b. Replicates itself, impairing the performance of computers or computer systems or networks; or
 - c. Gains remote control access to data and programming within computers or computer systems or networks to which it is introduced, for uses other than those intended for authorized users of the computers or computer systems or networks.



COMMERCIAL INLAND MARINE
COVERAGE PART DECLARATIONS

POLICY NUMBER: QT-660-7719M542-TIL-15
ISSUE DATE: 04-24-15

INSURING COMPANY:

TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA

Declarations Period: From 07-01-15 to 07-01-16 12:01 A.M. Standard Time at your mailing address shown in the Common Policy Declarations.

The Commercial Inland Marine Coverage Part consists of these Declarations, the Commercial Inland Marine Conditions Form and the Coverage Forms shown below.

I. COVERED PROPERTY AND LIMITS OF INSURANCE

IM PAK COVERAGE

"CONTRACTORS EQUIPMENT"

COVERED ITEMS	LIMITS OF INSURANCE
Listed Items (See Schedule):	\$ 15,000
Unlisted Items:	No Coverage
Leased or Rented Items:	No Coverage
COVERAGE EXTENSIONS	
Newly Acquired "Contractors Equipment":	\$ 250,000
"Replacement Items"	
Rental Cost:	\$ 5,000 per item
Loss to any one "Replacement Item":	\$ 100,000 per item
"Maximum Amount of Payment":	\$ 15,000
"Flood Limit of Insurance":	\$ 15,000
"Flood Annual Aggregate Limit of Insurance":	Not Applicable
"Earth Movement Limit of Insurance":	\$ 15,000
"Earth Movement Annual Aggregate Limit of Insurance":	Not Applicable

"COMPUTERIZED BUSINESS EQUIPMENT"

Loc 1 Bldg 1

ADDRESS LIMITS OF INSURANCE

100 CARGO WAY AT PIER 96 RAILYARD
SAN FRANCISCO CA 94124

"Hardware Limit of Insurance":	\$ 20,000
"Software Limit of Insurance":	\$ 10,000
"Extra Expense and Business Income Limit of Insurance":	\$ 5,000
"Earth Movement Limit of Insurance":	No Coverage
"Earth Movement Annual Aggregate Limit of Insurance":	Not Applicable
"Flood Limit of Insurance":	No Coverage
"Flood Annual Aggregate Limit of Insurance":	Not Applicable

II. DEDUCTIBLE

"CONTRACTORS EQUIPMENT"	
"Basic Deductible":	\$ 1,000
"Flood Deductible":	\$ 1,000
"Earth Movement Deductible":	\$ 1,000
"Windstorm Deductible":	\$ 1,000



One Tower Square, Hartford, Connecticut 06183

**COMMERCIAL INLAND MARINE
COVERAGE PART DECLARATIONS**

**POLICY NUMBER: QT-660-7719M542-TIL-15
ISSUE DATE: 04-24-15**

INSURING COMPANY:

TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA

Declarations Period: From 07-01-15 to 07-01-16 12:01 A.M. Standard Time at your mailing address shown in the Common Policy Declarations.

The Commercial Inland Marine Coverage Part consists of these Declarations, the Commercial Inland Marine Conditions Form and the Coverage Forms shown below.

II. DEDUCTIBLE CONTINUED

"COMPUTERIZED BUSINESS EQUIPMENT"

"Basic Deductible": \$ 1,000
"Breakdown Deductible": \$ 1,000

Loc 1 Bldg 1
"Windstorm Deductible": \$ 1,000

III. PREMIUM SUMMARY

The policy premium includes the premiums shown below. Deposit Premiums are subject to adjustment as specified in the Reporting Provisions.

	REPORTING PROVISIONS	Premium
"CONTRACTORS EQUIPMENT"	Not Applicable	\$ 152
"COMPUTERIZED BUSINESS EQUIPMENT"	Not Applicable	\$ 95
	PREMIUM:	\$ 247

NUMBERS OF FORMS, SCHEDULES AND ENDORSEMENTS FORMING PART OF THIS COVERAGE PART ARE ATTACHED AS A SEPARATE LISTING.



One Tower Square, Hartford, Connecticut 06183

COMMERCIAL INLAND MARINE
COVERAGE PART DECLARATIONS

POLICY NO.: QT-660-7719M542-TIL-15
ISSUE DATE: 04-24-15

INSURING COMPANY:
TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA

DECLARATIONS PERIOD: From 07-01-15 to 07-01-16 12:01 A.M. Standard Time at your mailing address shown in the Common Policy Declarations.

The Commercial Inland Marine Coverage Part consists of these Declarations, the Commercial Inland Marine Conditions Form and the Coverage Forms shown below.

I. COVERED PROPERTY AND LIMITS OF INSURANCE

RAILROAD ROLLING STOCK COVERAGE FORM

A. Schedule of Covered Property	Limit of Insurance
1. 1 TRACKMOBILE AT \$195,000	\$ 195,000
2.	\$
3.	\$
4.	\$
5.	\$
6.	\$
7.	\$
8.	\$
9.	\$
10.	\$

B. All Covered Property In Any One Occurrence: \$ 195,000

II. Deductible: \$ 5,000

III. Valuation:

Association of American Railroads (AAR)

Actual Cash Value

Stated Amount

IV. Coinsurance: 0 %

IM PAK[®] COVERAGE SUMMARY

This Coverage Part covers the following:

"Computerized Business Equipment"
"Contractors Equipment"

This Coverage Part Includes the following coverage form:

IM PAK[®] COVERAGE FORM

IZ 012 06 0462 0653 0029 0694 0732 0790 0626

This Coverage Part includes the following modifiers:

0462	Exception to IL T3 55 Date-Related Loss Excl
0653	Programming Errors E
0029	Theft of CBE From Unattended Vehicle Excl
0694	CBE Off Premises Power and Supply
0732	CBE Not At Your Locations
0790	Electronic Vandalism Changes - CBE
0626	CBE Breakdown Deductible



One Tower Square, Hartford, Connecticut 06183

IM PAK[®] COVERAGE
"CONTRACTORS EQUIPMENT"
SCHEDULE

POLICY NUMBER: QT-660-7719M542-TIL-15
ISSUE DATE: 04-24-15

ITEM	DESCRIPTION OF ITEMS	LIMIT OF INSURANCE
1.	REACH STACKER	\$ 15,000

TOTAL LIMIT OF INSURANCE FOR ALL LISTED ITEMS \$ 15,000

POLICY NUMBER: QT-660-7719M542-TIL-15

COMMERCIAL INLAND MARINE
ISSUE DATE: 04-24-15

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE PROVISIONS

This endorsement modifies insurance under the following:

RAILROAD ROLLING STOCK COVERAGE

Loss Payable—For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an insurable interest, we will:

1. Adjust losses with you; and
2. Pay any claim for loss or damage jointly to you and the loss payee, as interest may appear.

SCHEDULE

**Form or
Endorsement No.**

**Item No. , If any or
Description of Property**

**Loss Payee
(Name and Address)**

ALL COVERED PROPERTY

TFS CAPITAL SOLUTIONS

733 MARQUETTE AVE., STE 700
MAC N9306-070
MINNEAPOLIS MN 55402

IM PAK[®] COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F - DEFINITIONS.

ENDORSEMENT IL T3 55 "EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES DUE TO DATES OR TIMES", IF ATTACHED TO THIS POLICY, DOES NOT APPLY TO THIS IM PAK COVERAGE PART.

A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss.

1. Covered Property

Covered Property, as used in this Coverage Part, means:

- a. "Contractors Equipment";
- b. "Computerized Business Equipment".

2. Covered Causes of Loss

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL LOSS OR DAMAGE except those causes of loss listed in the Exclusions or for which 'No Coverage' is shown as the applicable Limit of Insurance in the Declarations.

3. "Extra Expense" and "Business Income"

We will pay your necessary "Extra Expense" to continue normal operations following loss or damage from a Covered Cause of Loss to:

- a. "Computerized Business Equipment";
- b. The building where "Computerized Business Equipment" is kept if you are prevented from using the "Computerized Business Equipment" as a result of the loss or damage;
- c. Any building other than the building where "Computerized Business Equipment" is kept if you are prohibited from using the "Computerized Business Equipment" by a governmental authority as a result of the loss or damage;
- d. Any temperature, climate control or electrical system needed for the operation of "Computerized Business Equipment".

We will also pay the amount by which your "Business Income" is actually reduced during the "period of restoration" if you must close all or any part of your business due to loss of or damage to "Computerized Business Equipment" from a Covered Cause of Loss.

But we will not pay more in any one loss or damage than the applicable Limit of Insurance shown in the Declarations for your combined "Extra Expense" and "Business Income".

4. Coverage Extensions

We will pay for loss or damage from a Covered Cause of Loss for each of the following Coverage Extensions:

a. Newly Acquired "Computerized Business Equipment"

If during the policy period you acquire a financial interest in property of the type already covered by this policy we will cover the property for up to 90 days. You will report the property within 90 days from the date acquired and will pay any additional premium due. If you do not report the new property, we will not pay for loss of or damage to the new property.

The most we will pay in any one loss or damage under this Coverage Extension is the highest "combined limits", up to \$1,000,000.

b. Newly Acquired "Contractors Equipment"

If during the policy period you acquire items of the type already covered by this policy as Listed and Unlisted Items, we will cover the items for up to 90 days. You will report the items within 90 days from the date acquired and will pay any additional premium due. If you do not report the new items, we will not pay for loss of or damage to the new items.

The most we will pay under this Coverage Extension is the Limit of Insurance shown in the Declarations for Newly Acquired "Contractors Equipment". Any payment made under this extension is included within and will not increase the "Contractors Equipment" "Maximum Amount of Payment" shown in the Declarations.

c. "Computerized Business Equipment" At Newly Acquired Premises

If you acquire new premises, we will cover "Computerized Business Equipment" at the new premises, for up to 90 days. You will report the new premises within 90 days from the date you acquire them and will pay any additional premium due. If you do not report the new premises, coverage under this extension will cease 90 days from the date you acquired the new premises.

The most we will pay in any one loss or damage under this extension is the highest "combined limits", up to \$1,000,000.

d. "Computerized Business Equipment" In Transit Or While Not At Your Locations

We will pay for loss of or damage to "Computerized Business Equipment" while:

- (1) In transit; or
- (2) While not at your "locations".

The most we will pay in any one loss or damage under this extension is the highest "combined limits", up to a maximum of \$75,000. But, if the "Computerized Business Equipment" is moved due to impending danger of loss or damage from a Covered Cause of Loss, we will pay for loss or damage up to the applicable Limit of Insurance shown in the Declarations.

e. Fire Protective Systems

If your fire protective equipment discharges accidentally or to control a Covered Cause of Loss, we will pay for your expense to:

- (1) Recharge or refill your fire protective systems; and
- (2) Replace or repair faulty valves or controls which caused the discharge.

The most we will pay in any one loss or damage under this extension is \$75,000.

f. Valuable Papers and Records

We will pay your costs to research, replace, or restore lost or damaged valuable papers and records, including those which are on computer software, for which there are no duplicates. The most we will pay for loss of or damage to this property is \$50,000.

But we will not pay for loss of or damage to accounts, bills, deeds, evidences of debt, currency, money, notes or securities.

g. Duplicate "Software"

We will pay for loss of or damage to your duplicate or back-up "software" if it is kept at premises that are separate from where the original "software" is kept.

The most we will pay in any one loss or damage under this extension is the highest "combined limits", up to a maximum of \$100,000.

h. Incompatibility of "Software"

We will pay the cost of modifying your undamaged covered "hardware" and "software" following covered loss of or damage to Covered Property in order to achieve compatibility between the remaining undamaged "Computerized Business Equipment" and any replacement "hardware" and "software".

The most we will pay for loss or damage under this Coverage Extension is \$25,000.

i. "Computerized Business Equipment" Expediting Expenses

We will pay your costs to expedite repair of "Computerized Business Equipment" made necessary by a Covered Cause of Loss during the "period of restoration".

The most we will pay under this Coverage Extension is \$25,000.

j. "Replacement Items"

(1) Rental Costs: We will pay your necessary costs to rent "replacement items". Coverage will start 24 hours after you report the loss or damage to us, and will end when one of the following first occurs:

- (a) Your "Contractors Equipment" to which the loss or damage occurred is repaired or replaced;
- (b) The "replacement item" is no longer needed.

The most we will pay for your Rental Costs is the applicable Limit of Insurance shown in the Declarations.

- (2) Loss Of or Damage To "Replacement Items": We will pay for loss of or damage to "replacement items" caused by or resulting from a Covered Cause of Loss. Coverage will start when you assume liability for "replacement items", and will end when your Rental Costs coverage for your "Contractors Equipment" to which the loss or damage occurred ends. We will also pay for loss or damage while "replacement items" are in transit to or from the owner if you are liable for the item at the time of loss or damage.

The most we will pay in any one loss of or damage to "replacement items" is the applicable Limit of Insurance shown in the Declarations.

5. Additional Coverages

a. Debris Removal

- (1) We will pay for your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of the loss or damage.
- (2) The most we will pay under this Additional Coverage is 25% of the amount we pay for direct loss of or damage to Covered Property plus the deductible in this Coverage Part applicable to that loss or damage. Any payment is included within and will not increase the applicable Limit of Insurance. But, if the debris removal expense exceeds the amount calculated above, or if the sum of our payments for direct loss or damage and debris removal exceeds the applicable Limit of Insurance shown elsewhere in this Coverage Part, we will pay up to \$75,000 in any one occurrence as an additional amount of insurance.
- (3) We will not pay for your expense to extract "pollutants" from land or water, or to remove, restore, or replace polluted land or water under this Additional Coverage.

b. Fire Department Service Charge

We will pay your legal liability for Fire Department Service Charges when the fire department is called to save or protect Covered Property from a Covered Cause of Loss.

The most we will pay under this Additional Coverage is \$25,000 in any one occurrence.

No deductible applies to this Additional Coverage.

c. Pollutant Clean Up and Removal

- (1) We will pay your expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss to Covered Property that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of the loss or damage.
- (2) This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.
- (3) The most we will pay under this Additional Coverage for:

- (a) All unlisted locations is \$25,000 for the sum of all such expenses arising out of Covered Cause of Loss to Covered Property occurring during each separate 12 month period of this policy.
- (b) Each listed location is \$25,000 for the sum of all such expenses arising out of Covered Cause of Loss to Covered Property occurring during each separate 12 month period of this policy.

d. Inventory, Appraisals, and Loss Adjustment Expenses

We will pay the reasonable expenses you incur at our request to assist us in determination of the amount of the covered loss or damage, including the extra wages necessarily incurred by your employees for preparing inventories and other loss or damage information for completion of your proof of loss or damage.

But we will not pay for:

- (1) Expenses to prove that the loss or damage is covered;
- (2) Expenses incurred under the Appraisal section of the Commercial Inland Marine Conditions;
- (3) Expenses incurred for examinations under oath, even if required by us;
- (4) Expenses incurred for public adjusters or any legal fees.

The most we will pay for loss or damage under this Additional Coverage is \$5,000.

e. "Contractors Equipment" Expediting Expenses

We will pay your actual and reasonable costs resulting from a Covered Cause of Loss to "Contractors Equipment" to expedite repair or replacement of that Covered Property including, but not limited to, overtime, night work, work on public holidays, rapid transportation of people and/or materials, and extra costs of temporary repair.

This Additional Coverage will apply from the date of such loss or damage and for such time reasonably necessary to repair, replace, or rebuild the "Contractors Equipment".

The most we will pay under this Additional Coverage is \$2,500 in any one occurrence involving one or more items of "Contractors Equipment".

f. "Expendable Supplies"

We will pay for loss or damage by a Covered Cause of Loss to "expendable supplies" for your "Contractors Equipment".

The most we will pay in any policy period for loss or damage under this Additional Coverage is \$1,000.

g. Equipment Control Systems

If not covered by other insurance, we will cover loss or damage from a Covered Cause of Loss to the:

- (1) Air-conditioning system;
- (2) Security System;
- (3) Auxiliary power generators; and

(4) Uninterruptible power supply;

which are used exclusively to protect or service your "Computerized Business Equipment" at or within 100 feet of a "location".

The most we will pay in any one loss or damage under this Additional Coverage is \$25,000.

h. Charges on Stolen Cellular Telephones

We will pay the unauthorized charges for access, use, and tolls for which you are responsible following the covered theft of cellular telephones.

But this coverage will end twenty-four hours after such loss or damage is known to you.

The most we will pay for unauthorized charges under this Additional Coverage is \$5,000.

i. Reward Coverage

We will reimburse you for reward(s) expense you have incurred leading to:

- (1) The successful return of undamaged stolen articles to a law enforcement agency; or
- (2) The arrest and conviction of any person(s) who have damaged or stolen any Covered Property.

We will pay 25% of the covered loss, prior to the application of any Deductible and recovery, up to a maximum of \$2,500 in any one occurrence for the reward payments you make. These reward payments must be documented. The amount payable is in addition to the Limits of Insurance shown in the Declarations.

No Deductible applies to this Additional Coverage.

B. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

a. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.

This exclusion does not apply to "Computerized Business Equipment".

b. Nuclear Hazard

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this Coverage Form.

c. War and Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

2. We will not pay for loss or damage caused by or resulting from any of the following:

a. Delay, loss of use or loss of market.

This exclusion does not apply to the "EXTRA EXPENSE" and "BUSINESS INCOME" provision of this policy.

b. Dishonest or criminal acts by you, any of your partners, directors, trustees or officers:

- (1) Acting alone or in collusion with others; or
- (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to "Computerized Business Equipment".

c. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if loss or damage by any of the "specified causes of loss" results, we will pay for that resulting loss or damage caused by the "specified causes of loss".

d. Suspension, lapse or cancellation of any lease, license, contract, or order that applies to "Computerized Business Equipment".

e. Theft of Covered Property from an unattended vehicle.

But we will pay for theft of Covered Property from an unattended vehicle if at the time of the theft, all the vehicle's doors, windows and compartments were closed and locked and there are visible signs that the theft was a result of forced entry.

This exclusion applies only to "Computerized Business Equipment".

f. Programming errors, including but not limited to:

- (1) The inability of Covered Property to correctly recognize, process, distinguish, interpret or accept dates, times or other data; or
- (2) Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems due to the inability of Covered Property to correctly recognize, process, distinguish, interpret or accept dates times or other data.

But if loss or damage by "specified causes of loss" results, we will pay for that resulting loss or damage.

We will not pay for repair, replacement or modification of Covered Property to correct any deficiencies or change any features.

3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.

- a. Hidden or latent defect, mechanical breakdown or failure (including rupture or bursting caused by centrifugal force), or any quality in the property that causes it to damage or destroy itself.

This exclusion does not apply to "Computerized Business Equipment".

- b. Corrosion, rust or dampness.

This exclusion does not apply to "Computerized Business Equipment".

- c. Electrical breakdown or failure.

This exclusion applies only to "Contractors Equipment".

- d. Freezing or overheating.

This exclusion applies only to "Contractors Equipment".

- e. Wear and tear, gradual deterioration.

- f. Repair process or work on Covered Property.

This exclusion applies only to "Contractors Equipment".

- g. The failure of power or other utility service supplied to your "locations". But we will pay for loss of or damage to "Computerized Business Equipment" if the failure occurs away from your "locations" and was the result of loss or damage from a Covered Cause of Loss, to power or other utility service supplied to your "locations".

This exclusion applies only to "Computerized Business Equipment".

C. LIMITS OF INSURANCE

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations. But in the event coverage for loss or damage is provided under the Coverage Extensions or Additional Coverages, the Limits of Insurance stated within the specific Coverage Extension or Additional Coverage will apply as additional amounts of insurance, unless otherwise stated within the Coverage Extension or Additional Coverage.

If a title for a Limit of Insurance appears in quotations in the Declarations, that limit has a special meaning and may act to reduce or eliminate coverage under some circumstances. Refer to Section F - Definitions.

D. DEDUCTIBLE

1. Loss Or Damage To One Type of Covered Property In Any One Occurrence

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage exceeds the applicable Deductible shown in the Declarations. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

2. Loss Or Damage To Two Or More Types of Covered Property In Any One Occurrence

We will:

- a. Adjust separately the loss or damage to each type of Covered Property;
- b. Not pay for loss or damage to a type of Covered Property in any one occurrence until the amount of that adjusted loss or damage exceeds the applicable Deductible shown in the Declarations; and
- c. Pay the amount of each adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

If the sum of the applicable "basic deductibles" exceeds the Policy Deductible shown in the Declarations, we will not deduct more than the Policy Deductible in any one occurrence of loss or damage.

If a title for a Deductible appears in quotations in the Declarations, that Deductible has a special meaning and may act to reduce or eliminate coverage under some circumstances. Refer to Section F - Definitions.

The applicable Deductible shown in the Declarations applies to the Coverage Extensions and Additional Coverages unless otherwise stated in the Coverage Extension or Additional Coverage.

E. ADDITIONAL COVERAGE CONDITIONS

The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions.

1. Where Coverage Applies

We cover property other than "laptop and portable computerized equipment" that is in:

- a. The United States of America;
- b. Puerto Rico; or
- c. Canada.

But we do not cover property that is in transit to or from Hawaii or Puerto Rico.

We cover "laptop and portable computerized equipment" while located anywhere in the world.

2. Coinsurance

"Contractors Equipment"

- a. Listed Items

The Limit of Insurance for each item shown in the Declarations must equal at least 80% of its actual cash value at the time of loss or damage or you will incur a penalty.

The penalty is that we will pay only the proportion of any loss of or damage to each item that the Limit of Insurance for the item bears to 80% of its actual cash value at the time of loss or damage.

- b. Unlisted Items

The Unlisted Item Limit of Insurance shown in the Declarations must equal at least 80% of the actual cash value of all Unlisted Items at the time of loss or damage or you will incur a penalty.

The penalty is that we will pay only the proportion of any loss or damage that the Limit of Insurance for Unlisted Items bears to 80% of the actual cash value of all Unlisted Items at the time of loss or damage.

The coinsurance penalty does not apply to items leased, rented or borrowed from others unless they are shown as Listed Items.

This Additional Coverage Condition does not apply to "Computerized Business Equipment".

3. Valuation

In the event of loss or damage, the value of Covered Property at the time of loss or damage will be determined as follows:

a. "Contractors Equipment"

The value of "Contractors Equipment" will be determined as shown below:

(1) Listed And Unlisted Items

The value of Listed And Unlisted Items will be the least of the following:

(a) The actual cash value of that property;

But in the event of partial loss or damage, not exceeding 20% of the Limit of Insurance applicable to the Covered Property, no depreciation will be applied in the settlement of the claim;

(b) The cost of reasonably restoring that property to its condition immediately before loss or damage; or

(c) The cost of replacing that property with substantially identical property.

(2) Leased Or Rented Items

The value of Leased or Rented Items will be the amount of your legal liability, not to exceed the replacement cost.

b. "Computerized Business Equipment"

(1) The value of "hardware" will be the least of the following:

(a) The cost to replace the "hardware" with identical unused "hardware";

(b) The cost to repair the "hardware";

(c) The amount you actually spend to repair or replace the "hardware";

(d) The cost to replace the "hardware" with unused property of similar quality and function if the "hardware" cannot be replaced with identical unused "hardware";

- (e) The cost to replace the "hardware" with property of similar quality and function if you do not actually repair or replace it; or
 - (f) The amount of your legal liability, not to exceed the replacement cost.
- (2) The value of "software" will be the cost to reproduce or replace the "software". But if it is not reproduced or replaced, we will only pay the blank value of the "software".
- (3) The value of Equipment Control Systems you own or lease which are used exclusively to protect or service your "Computerized Business Equipment" will be the least of the following:
- (a) The actual cash value of that property;

But in the event of partial loss or damage, not exceeding 20% of the Limit of Insurance applicable to the Covered Property, no depreciation will be applied in the settlement of the claim. This provision only applies to property that is less than 10 years old at the time of loss or damage;
 - (b) The cost of reasonably restoring that property to its condition immediately before loss or damage; or
 - (c) The cost of replacing that property with substantially identical property.
- (4) The value of Equipment Control Systems for which you are legally liable will be the amount of your legal liability, not to exceed the replacement cost.

F. DEFINITIONS

1. "Basic Deductible" means the Deductible applicable in any one occurrence of loss or damage unless a more specific Deductible for the applicable loss or damage is shown in the Declarations or elsewhere in the policy.

When a percentage (%) is shown in any Deductible Schedule, we will calculate the applicable dollar amount of the deductible by multiplying the applicable percentage shown in that Deductible Schedule by the applicable deductible basis shown in that Deductible Schedule.

In no event will the applicable deductible be less than any applicable minimum, or more than any applicable maximum, amount shown in the Declarations or Deductible Schedule.

2. "Breakdown Deductible" means the Deductible applicable in any one occurrence of loss of or damage to "Computerized Business Equipment" from mechanical or electric breakdown or failure.
3. "Business Income" means:
- a. Your net income that would have been earned had no loss or damage occurred; and
 - b. Normal payroll and expenses which are necessary for you to operate your business after loss or damage.
4. "Combined limits" means the sum of the limits for "Hardware", "Software" and "'Extra Expense' and 'Business Income'" at any one "location".
5. "Computerized Business Equipment" means:

- a. "Hardware";
- b. "Software"

that you own or lease, or that is in your care, custody or control and for which you are legally liable.

"Computerized Business Equipment" does not include:

- a. Property while it is not at your "locations", except as covered in the Coverage Extensions of this policy;
 - b. Property leased or rented to others while it is not at your "locations";
 - c. Contraband, or property in the course of illegal transit or trade;
 - d. Accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts, or other documents unless they are in the form of "software", and then only in that form;
 - e. "Software" which cannot be replaced with other of the same kind or quality, unless it is specifically listed on a schedule attached to this policy.
6. "Contractors Equipment" means mobile machinery and equipment normally used in the construction industry consisting of:
- a. Listed Items - Items listed in the Declarations;
 - b. Unlisted Items - Items you own or you have borrowed from others that are not specifically listed by item in the Declarations. The Limit of Insurance for this property is shown in the Declarations, but we will not pay more than the amount shown for any one item;
 - c. Leased or Rented Items - Items, not listed in the Declarations, that you have leased or rented from others.

"Contractors Equipment" does not include:

- a. Contraband, or property in the course of illegal transit or trade;
 - b. Vehicles designed and principally used to transport property or persons over public roads;
 - c. Aircraft or watercraft;
 - d. Items leased, rented or loaned to others; unless they have agreed in writing to be liable for the items, or the item is to be operated by you or your employee when in use.
7. "Earth movement" means any movement of the earth (other than "sinkhole collapse"), including but not limited to:
- a. Earthquake;
 - b. Landslide;
 - c. Earth sinking, rising or shifting; or
 - d. Volcanic eruption, explosion or effusion;

all whether naturally occurring or due to man-made or other artificial causes.

8. "Earth Movement Annual Aggregate Limit of Insurance" means the most we will pay for all covered "earth movement" occurrences in any one policy year.

Each policy year:

- a. Begins with the inception date or anniversary date of this policy, and
- b. Ends at the next anniversary date or the expiration date of this policy.

9. "Earth Movement Deductible" means the Deductible applicable in any one occurrence of loss or damage from "earth movement".

- a. When a percentage (%) is shown in the Declarations, we will calculate the dollar amount of the deductible by multiplying the applicable percentage shown in the Declarations by the value, at the time of loss or damage, of the property that has sustained loss or damage.
- b. When a percentage (%) is shown in any Deductible Schedule, we will calculate the applicable dollar amount of the deductible by multiplying the applicable percentage shown in that Deductible Schedule by the applicable deductible basis shown in that Deductible Schedule.

In no event will the applicable deductible be less than any applicable minimum, or more than any applicable maximum, amount shown in the Declarations or Deductible Schedule.

10. "Earth Movement Limit of Insurance" means the most we will pay for loss or damage in any one occurrence caused directly or indirectly by "earth movement", regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

But if loss or damage by fire, explosion or "volcanic action" results from "earth movement", the "Earth Movement Limit of Insurance" will not apply to the resulting loss or damage. Instead, we will pay up to the applicable Limit of Insurance shown in the Declarations that would otherwise apply to loss or damage by fire, explosion or "volcanic action". We will also pay up to such applicable Limit of Insurance for loss or damage by building glass breakage resulting from volcanic eruption, explosion or effusion.

All "earth movement" that occurs within any 168 - hour period will constitute a single occurrence. The expiration of this policy will not reduce the 168 - hour period.

Any payment under the "Earth Movement Limit of Insurance" is included within and will not increase the applicable Limit of Insurance shown elsewhere in this policy.

11. "Expendable supplies" means consumable and periodic maintenance items, held exclusively for the servicing of "Contractors Equipment", including, but not limited to, oil, grease, fuel, filters, and spark plugs.
12. "Extra Expense" means expense you incur in order to continue your business operations after loss or damage that you would not have incurred had there been no loss or damage.
13. "Extra Expense and Business Income Limit of Insurance" means the most we will pay for loss of or damage to "Extra Expense" and "Business Income" in any one occurrence unless a separate Limit of Insurance for the applicable loss or damage is shown in the Declarations or elsewhere in the policy.

But if the wording 'No Coverage' is shown in the Declaration as the "Extra Expense and Business Income Limit of Insurance", we will not pay for any of your "Extra Expense" or "Business Income", regardless of the applicable Covered Cause of Loss.

14. "Flood" means:

- a. Surface water, waves, tides, tidal waves, tsunami, overflow of any body of water, or their spray, all whether driven by wind or not;
- b. Mudslide or mudflow;
- c. Water that backs up from a sewer or drain; or
- d. Water under the ground surface pressing on, or flowing or seeping through:
 - (1) Foundations, walls, floors or paved surfaces;
 - (2) Basements, whether paved or not; or
 - (3) Doors, windows or other openings;

all whether naturally occurring or due to man-made or other artificial causes.

15. "Flood Annual Aggregate Limit of Insurance" means the most we will pay for all covered "flood" occurrences in any one policy year.

Each policy year:

- a. Begins with the inception date or anniversary date of this policy, and
- b. Ends at the next anniversary date or the expiration date of this policy.

16. "Flood Deductible" means the Deductible applicable in any one occurrence of loss or damage from "flood".

- a. When a percentage (%) is shown in the Declarations, we will calculate the dollar amount of the deductible by multiplying the applicable percentage shown in the Declarations by the value, at the time of loss or damage, of the property that has sustained loss or damage.
- b. When a percentage (%) is shown in any Deductible Schedule, we will calculate the applicable dollar amount of the deductible by multiplying the applicable percentage shown in that Deductible Schedule by the applicable deductible basis shown in that Deductible Schedule.

In no event will the applicable deductible be less than any applicable minimum, or more than any applicable maximum, amount shown in the Declarations or Deductible Schedule.

17. "Flood Limit of Insurance" means the most we will pay for loss or damage in any one occurrence caused directly or indirectly by "flood", regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

But if loss or damage by fire, explosion, or leakage or discharge from an automatic sprinkler system results from "flood", the "Flood Limit of Insurance" will not apply to the resulting loss or damage. Instead, we will pay up to the applicable Limit of Insurance shown in the Declarations that would otherwise apply to loss or damage by fire, explosion, or leakage or discharge from an automatic sprinkler system.

Any payment under the "Flood Limit of Insurance" is included within and will not increase the applicable Limit of Insurance shown elsewhere in this policy.

18. "Hardware" means machines which can accept data and process it. But it does not include "Software".

19. "Hardware Limit of Insurance" means the most we will pay for loss of or damage to "Hardware" in any one occurrence unless a separate Limit of Insurance for the applicable loss or damage is shown in the Declarations or elsewhere in the policy.

But if the wording 'No Coverage' is shown in the Declarations as the "Hardware Limit of Insurance", we will not pay for any of your "Hardware", regardless of the applicable Covered Cause of Loss.

20. "Laptop and portable computerized equipment" are "hardware" devices that can be easily carried by one person and that have been specifically designed by the manufacturer to be regularly transported without incurring damage under normal circumstances.

21. "Location" means that interior portion of the building at the address shown in the Declarations that you occupy for your business.

22. "Maximum Amount of Payment" means the most we will pay in any one occurrence of loss or damage.

23. "Period of Restoration" means the period of time that:

- a. Begins with the date of loss of or damage to Covered Property caused by or resulting from any Covered Cause of Loss; and
- b. Ends on the date when the property should be repaired, rebuilt or replaced with reasonable speed and similar quality.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- a. Regulates the construction, use or repair, or requires the tearing down of any property; or
- b. Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

24. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste. Waste includes materials to be recycled, reconditioned or reclaimed.

25. "Replacement items" means equipment similar to the "Contractors Equipment" used in your business operations that you must rent due to loss or damage caused by or resulting from a Covered Cause of Loss to your "Contractors Equipment". "Replacement items" are only those items which are:

- a. Necessary to continue your normal business operations; and
- b. Needed because you do not have idle "Contractors Equipment" which can do the same work.

26. "Sinkhole collapse" means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. "Sinkhole collapse" does not mean the cost of filling sinkholes or the sinking or collapse of land into man-made underground cavities.

27. "Software" means:

- a. Data, if it is in a format that can be read directly by your "hardware";

- b. Computer programs;
- c. Instructional materials for computer programs;
- d. Data storage media of all types, provided they are not an integral part of "hardware".

28. "Software Limit of Insurance" means the most we will pay for loss of or damage to "Software" in any one occurrence unless a separate Limit of Insurance for the applicable loss or damage is shown in the Declarations or elsewhere in the policy.

But if the wording 'No Coverage' is shown in the Declarations as the "Software Limit of Insurance", we will not pay for any of your "Software", regardless of the applicable Covered Cause of Loss.

29. "Specified causes of loss" means fire; lightning; explosion; "windstorm"; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; "sinkhole collapse"; "volcanic action"; falling objects; weight of snow, ice or sleet; "water damage".

a. Falling objects does not include loss or damage to:

- (1) Personal property in the open; or
- (2) The interior of a building or structure or personal property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

b. "Water damage" means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.

30. "Volcanic action" means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- a. Airborne volcanic blast or airborne shock waves;
- b. Ash, dust or particulate matter; or
- c. Lava flow.

"Volcanic action" does not mean the cost to remove ash, dust or particles that do not cause direct physical loss or damage.

All volcanic eruptions that occur within any 168 - hour period will constitute a single occurrence.

31. "Windstorm" means wind or hail.

32. "Windstorm Deductible" means the Deductible applicable in any one occurrence of loss or damage caused directly or indirectly by "windstorm".

If loss or damage by rain, snow, sand or dust occurs and that loss or damage would not have occurred but for the "windstorm", such loss or damage will be considered to be caused by a "windstorm" occurrence.

a. When a percentage (%) is shown in the Declarations, we will calculate the dollar amount of the deductible by multiplying the applicable percentage shown in the Declarations by the value, at the time of loss or damage, of the property that has sustained loss or damage.

- b. When a percentage (%) is shown in any Deductible Schedule, we will calculate the applicable dollar amount of the deductible by multiplying the applicable percentage shown in that Deductible Schedule by the applicable deductible basis shown in that Deductible Schedule.

In no event will the applicable deductible be less than any applicable minimum, or more than any applicable maximum, amount shown in the Declarations or Deductible Schedule.

The "Windstorm Deductible" does not apply to property in transit.

POLICY NUMBER: QT-660-7719M542-TIL-15

COMMERCIAL INLAND MARINE
ISSUE DATE: 04-24-15

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

ADDITIONAL INSURED

This endorsement modifies insurance provided under the following:

RAILROAD ROLLING STOCK COVERAGE

The person or organization indicated below is added as an additional insured, as their interests may appear, for the described property only:

SCHEDULE

Description of Property	Additional Insured (Name and Address)
ALL COVERED PROPERTY	TFS CAPTIAL SOLUTIONS 733 MARQUETTE AVE., STE 700 MAC N9306-070 MINNEAPOLIS MN 55402

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

RAILROAD ROLLING STOCK "REPLACEMENT ITEMS" COVERAGE

This endorsement modifies insurance provided under the RAILROAD ROLLING STOCK COVERAGE FORM.

A. The following Additional Coverage is added to Section – A Coverage:

1. "Replacement Items"

We will pay your reasonable and necessary costs to rent "replacement items" following a Covered Cause of Loss to Covered Property. Coverage will start 168 hours after you report the loss to us and will end when one of the following first occurs:

- (a)** 7 days after the loss occurs;
- (b)** Your Covered Property to which the loss occurred is repaired or replaced; or
- (c)** The "replacement item" is no longer needed.

The most we will pay in any one loss is \$ 15,000 per item of Covered

Property for which you rent "replacement items".

B. The following Definition is added to Section – F Definitions:

1. "Replacement Items" means equipment similar to Covered Property that you must rent due to loss caused by or resulting from a Covered Cause of Loss to your Covered Property. "Replacement Items" are only those items which are:

- (a)** Necessary to continue your normal business operations; and
- (b)** Needed because you do not have idle similar Covered Property which serves the same purpose.

Attachment C

KLW Series 10B Locomotive Description & Price Quote

KLW SE Series 10B & 15B Switcher Locomotives

Product Features & Benefits

MTU 2000 Series Engines

- World class supplier of heavy duty diesel engines for the locomotive, military, marine, off-road equipment and heavy industries. Headquartered in Friedrichshafen, Germany, MTU is a Rolls-Royce and Daimler Benz company which manufactures and load box tests each of its 2000 Series engines in Aiken, South Carolina for the North American rail markets.
- MTU engines are applied globally in new, remanufactured and repowered locomotives. In the most recent 10 year period, there are more than 1,500 locomotives worldwide operating with these MTU prime mover diesel engines.
- The range of MTU engine models for the locomotive switching and road-switching markets includes 1050 BHP to 1560 BHP.
- Newly manufactured locomotives or repower capabilities for existing four axle EMD, GE, Alco and genset locomotives.
- 30,000 hour product life cycle between overhauls with a two year parts and labor warranty and 3 years or 9,000 hours parts warranty on the engine block / crank case / crankshaft / camshafts / connecting rods. Alternatively, a 40,000 hour product life cycle can be achieved with a mid-life main & rod bearing change-out and utexed cylinder heads and high pressure common rail injector replacements at 20,000 hours.
- Use of the incremental oil reservoir (an enlarged capacity sump) extends the 92 day oil and filter change to 184 days, saving maintenance parts & labor costs and locomotive out of service time while improving equipment asset utilization (fewer shop transfer movements for the locomotive). Eliminates the need for checking engine oil dip sticks; oil is simply added to the reservoir sump and topped-off through periodic visual inspections.
- By design, MTU Series 2000 engines do not “soup”. This is accomplished in part through higher block temperatures (24V engine block heaters) and the TECU AESS feature.
- Push button start-up within the locomotive cab or in the engine room.
- These locomotives improve upon accelerated engine throttle response times for yard switching and car kicking operations compared to gen set locomotives.
- Low noise decibels (78dba or less) for quiet engine start-up and operation in any throttle notch setting.

- The fuel savings for the MTU Series 2000 engine product line ranges between 25% to 60%+ in switching and road-switching duty cycles compared to traditional SW and GP Series EMD switcher and road-switcher locomotives.
- The MTU Series 2000 engines carry a standard two year parts and labor warranty and an extended four year major mechanical and electrical parts warranty, excluding the labor costs for engine removal and reinstallation.
- MTU technical support, remote and/or localized trouble shooting and field application services are normally available from within a 25 mile radius of the installation site.
- There are 170+ MTU distribution centers and parts warehousing facilities located throughout North America.
- Knoxville Locomotive Works has trained service technicians for field commissioning and follow-up technical services.

ZF Heavy Duty Marine Gearbox

- The ZF reduction gearbox is designed for a 2:1 ratio to adapt the higher speed MTU engines to the intermediate speed original equipment alternators; e.g.: AR10 / AR11 / AR15.
- The MTU engine and ZF gearbox are resiliently mounted to a skid mounted frame to isolate locomotive vibration for crew cab comfort and to eliminate torsional stresses to the engine when exposed to hard couplings and to mitigate damage from frame bending and distortions caused by collision impacts.
- The ZF gearbox and Geislinger couplings are designed to exceed the product life cycle of the engine and include a standard two year parts and labor warranty which may be extended to four years parts and labor, excluding the labor costs for gearbox removal and reinstallation.

Retaining OEM Critical Parts

- OEM alternators, including the AR10, AR11 and AR15 models are normally retained from the originating locomotive main frames. These electrical-rotating assemblies are manufactured as new (when specified) or completely remanufactured with the availability of rebuildable cores. Traction motors are also available as new or completely remanufactured. Alternator and traction motor cores for the remanufacture process can be free issued by the end-user or supplied by KLV.
- Locomotive cabs and high voltage cabinets are replaced as new. The electrical cabinets are pressurized and air filtered to eliminate dust, debris and water contamination while cooling against excessive heat build-up. Cabs and electrical cabinets may remain original, dependent on the condition, age and last state of remanufacture for the locomotive core.
- Locomotive long hoods are new replacement fabrications to adapt to the KLV-MTU drive train system and the Rocore radiant cooling package.
- Main frames, lower deck truck assemblies and traction motors are retained and completely remanufactured unless otherwise specified. All trucks include new Fat 40 wheels.

Modular Concept

- The engine, gear box, air compressor, fuel filtration, oil reservoir and battery charging systems are modularized on a single platform for placement onto the remanufactured locomotive main frame.
- New cooling systems are modular for fitting onto the existing remanufactured main frame.
- Locomotive switcher core main frames and trucks are completely remanufactured for the 1050 BHP and 1560 BHP Series 2000 engine models. These include EMD, GE, Alco and gen set main frames and typically GP series trucks to reduce operator fatigue compared to conventional AAR SW series rigid switcher trucks.
- New S-5506 crash worthy / anti-rollover fuel tanks are manufactured in standardized 1000-2000-3000-4000 gallon capacities and include built-in high capacity (60-100 gallon) retention reservoirs.
- Clean, modular low-profile design creates added envelope space in the long hood for convenient maintenance accessibility to the KLV-MTU drive train system.

TMV Traction and Engine Control Unit (TECU)

- An expanded and advanced micro-processor based locomotive control system for up to 65%+ improvement in anti-wheel slip adhesion capacities for switcher locomotives.
- Typically, KLV SE Series switcher locomotives are ballasted to 270,000-275,000 pounds to enhance tractive effort capacities.
- Automatic engine start-stop is standard equipment to eliminate unnecessary idling and fuel waste.
- Minimum fuel savings of between 25% to 60%+ with the inclusion of the TECU AESS system based on switching and road-switching locomotive duty cycles.
- Interfaces with the MTU engine ECM-9 electronic control system (ADEC) to maximize fuel economy and to mitigate NOx, PM, HC and CO emissions.
- Additional controls include: alternator, rpm and hp, cooling fans, engine heater, forward / reverse, transition, air compressor, auto ground relay set and load meter.
- Modular TECU design fits within a compact space (12 inches H x 14 inches W x 10 inches D).
- Flexible system with I/O board expandability to handle additional functions and controls.
- The TMV TECU is a highly reliable and user friendly locomotive control system with easy to read screens which do not “fault out”.
- Durable electronic components which carry a standard two year parts and labor warranty and may be extended to four years for parts replacement.

Other Equipment Specifications

- The 1050 BHP MTU Series 12V2000 C66R and the 1560 BHP MTU Series 16V2000 S96 engines to be supplied will be EPA Tier 4 locomotive certified and ARB verified.
- Due to the MTU fail safe high-pressure common rail injection system, new S-5506 crash worthy and anti-rollover compliant fuel tanks are included with the KLV SE Series locomotives.

- The low profile Sullair rotatory air compressor is a low maintenance product (annualized oil change and air in-take filter replacements) which creates a significant increase in envelope space for additional cooling capacity for the MTU engine. A world class leader in air compressor manufacturing, this Sullair product generates a 310+ CFM output (50% greater total CFM output than traditional reciprocating, high maintenance air compressors).

Equipment Options

Locomotive mounted security cameras, front and rear.

ECP& EAB Equipment: Electronically controlled pneumatic braking with CCB26 electronic air brake. This is a Knorr-Bremse product which is currently utilized on a limited basis in the United States but more typically for the international rail markets. It is a reasonably mature product which may require some adjustments in the field for full performance and operability. In order to utilize the ECP with the new rail cars, the locomotives must be equipped with ECP equipment for car interface and operation. Knorr-Bremse is an ISO certified company.

Automatic-Release Couplers: Air-over-electric system which utilizes pneumatic cylinders, allowing the operator to press a button in the cab (on the control stand) to energize a solenoid air valve. Energizing the solenoid valve facilitates main reservoir air to the cylinder and actuates the cut lever. This system would be an FRA approved KLV design.

Specialty Corrosion Protectants: Custom epoxy coatings can be used on specific components, including the cooling fan blades, locomotive exterior prime sealant, etc. to minimize sand and/or salt air erosion of critical components on the locomotive structure.

EI DuPont and PPG Pittsburgh Paints are the suppliers. Both are ISO certified companies.

On-Site Commissioning and Training

KLW will provide 4-5 business days of on-site supervision, instruction and on-site operational training following arrival of the locomotives to the point of delivery. Since KLW SE Series locomotive models incorporate many of the traditional mechanical and electrical rotating systems of EMD and GE series style units, the majority of the training focuses upon the operation and maintenance of the MTU engine.

Locomotive Warranty

Each Locomotive shall meet the warranties of parts and labor for a period of twenty-four (24) months from the date of Final Acceptance; provided, however, that the electronic control system, drive train system, radiator, traction motor and alternator of each Locomotive shall meet the warranties for a period of forty-eight (48) months from the date of Final Acceptance. Seller shall be responsible for performing the warranty work of parts and labor during the first twenty-four months from date of locomotive commissioning at the project site. Normal consumable items such as wheels, brake shoes, locomotive fluids, fuel, oil, anti-freeze, sand, water, bulbs, lights, fuses and filters are exempt from this twenty-four month warranty in addition to the normal replacement consumables called-out by the maintenance manuals for this equipment. The forty-eight month warranty extends exclusively to the electronic control system, drive train system, radiator, traction motors and alternator of each Locomotive as parts replacement only and specifically excludes labor. Outgoing shipment transportation costs of the warranted replacement parts are to the account of Seller; return shipment transportation costs of damaged cores (as applicable) are to the account of Buyer. Repair or replacement shall be initiated promptly, and shall be pursued diligently and continuously in order to minimize the impact of such deficiencies on the Buyer's operations.

About Knoxville Locomotive Works

- 34 years of experience in the railway industry and locomotive remanufacturing, rebuilding and service repairs under the Gulf & Ohio Railways umbrella.
- Strong financial balance sheet and long term business stability.
- Patented K LW design bearing adapter to support the existing alternator and patented MTU design for high speed engines driving intermediate and low speed alternators.
- Engine, gear box, couplings, radiator, electronic controls, electrical cabinet, HVAC, alternator, traction motors, auxiliary generator, air compressor, fuel tank and bearing adapter sub-contract manufacturers are ISO 9001:2008 certified. K LW has initiated an ISO 9001:2008 program through the University of Tennessee for the K LW expansion facilities in Knoxville.
- Advanced EPA, ULEL and CARB verified Tier 3 and Tier 4 emissions certifications combined with U.S. manufacturing qualify K LW SE Series locomotive products for federal, state and local grant funding.
- Customer accounts include Class I railroads, short lines, industrials, equipment leasing companies, government and international clients.

Pricing

Tier 4 1050 BHP 12V2000 C66R Utilizing GP9 Locomotive Main Frames & GP Trucks

KLW SE10B Tier 4 at \$1,735,000 with a two year parts and labor warranty and a four year major mechanical and electrical parts warranty as identified above.

Payment Terms

15% with issuance of physical purchase order and official notice to proceed

15% at time of locomotive inspection and acceptance in Knoxville, Tennessee

70% net 15 days at time of locomotive start-up, commissioning and acceptance at the project site and grant payment issuance by ARB

Delivery

12-14 months from date of notification to proceed, equipment specifications review and payment deposit subject to prior orders.

Proposal Validity Period

December 2015 through June 2016