

NOTE: This contract contains confidential information including wire transfer instructions. We ask that this document DOES NOT get emailed, please sign only through Docusign.

**RAILROAD CAR LEASE
WITH OPTION TO PURCHASE AGREEMENT**

THIS RAILROAD CAR LEASE WITH OPTION TO PURCHASE AGREEMENT (the “Agreement”), is entered into as of November 23rd 2022, by and between REDWOOD EMPIRE RAILCAR L.L.C. (“Lessor”) and SF-PV, L.L.C. (“Lessor”) and PANAMA PACIFIC CONSULTING, LLC, a California limited liability company (“Lessee”).

RECITALS

- A. Lessor is the owner of that certain passenger railroad car, as more particularly described on Exhibit A, attached hereto, commonly referred to as the Redwood Empire (the “Railroad Car”).
- B. Lessor desires to the lease the Railroad Car, with an option to purchase, to Lessee and Lessee desires to lease the Railroad Car from Lessor, with an option to purchase, upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, Lessor and Lessee hereby agree as follows:

AGREEMENT

1. Lease. Lessor hereby agrees to lease the Railroad Car to Lessee and Lessee agrees to lease the Railroad Car from Lessor, upon the terms and conditions set forth in this Agreement.

2. Term. The lease shall be for a period of thirteen (13) months, commencing on January 1, 2023 and terminating on January 31, 2024 (the “Term”).

3. Rent. As full consideration for leasing and use of the Railroad Car during the Term, Lessee shall pay Lessor the sum of Seventy-Five Thousand Dollars (\$75,000.00), in full, in advance, in immediately available funds, on or before January 1, 2023, directly to Ozark Mountain Railcars escrow account. Wire instructions are contained on the last page of this Agreement. Ozark Mountain Railcars shall then immediately transfer \$67,500 to Redwood Empire Railcar, LLC.

4. Use. Except as expressly set forth herein, the Lessee shall have the exclusive right to use the Railroad Car during the Term for the purposes it was designed and intended for, ordinary wear and tear excepted. Such use shall be within the contiguous United States. Lessee shall have the right to sublease the use of the Railroad Car for single trips to its customers during the Term. Lessor represents to Lessee that the Railway Car in satisfactory condition for movement in the normal interchange of rail traffic, but because the Railway Car is almost 100 years old, Lessee must expect that there will be problems with the operation of the Railway Car.

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4.1 Third-Party Expenses. All third-party expenses incurred by the Lessee in connection with its or its customers use of the Railroad Car shall be the responsibility of the Lessee. For this purpose, all such third-party expenses provide by or through Lessor shall be at Lessor’s direct cost (without mark-up).

5. Lessor’s Reserved Use. Lessor shall have the right to leaseback and use the Railroad Car from the Lessee for up to ten (10) days during the Term, at the rental rate of Five Hundred Dollars (\$500.00) per day. The rent shall be paid by Lessor to Lessee, in full, in immediately available funds, prior to each use, Lessor and Lessee shall mutually agree on the dates of Lessor’s use. Lessor shall be responsible for all third-party costs incurred by it in connection with its use.

6. Maintenance and Repair/Storage. Lessee acknowledges that it has had an opportunity to inspect the Railway Car and is satisfied with its condition. Lessee nonetheless is entering into this contract with the expectation that it alone shall be responsible for all problems with the Railway Car after it takes possession of the Railway Car.” Lessee agrees to maintain the Railway Car, at its sole cost and expense, in good condition and repair during the Term. Lessee agrees to notify Lessor promptly when the Railway Car is damaged or in need of repair. No repairs to the Railway Car shall be made by Lessee without Lessor’s prior written consent. When the Railway Car is not being used by Lessee or sublessee customers, it shall be stored at the Pacific Harbor Line Railroad at Wilmington, CA at Lessor’s expense.

7. Insurance. Lessee will maintain the same level of insurance that Lessor now carries through a company duly admitted in the State of California, i.e. \$3,000,000 for each occurrence, for personal and advertising injury and medical expense with a general aggregate limit of \$6,000,000, and with the same insurance endorsements that Lessor now carries. Lessee alone will pay all of the insurance premiums for such insurance. Redwood Empire Railcar, LLC and SF-PV, LLC will be named as additional insureds on all of such insurance. Within 10 days after this agreement is finalized, Lessee will provide Lessor with copies of the insurance policies on the Railway Car and copies of all endorsements on those policies.

8. Capital Improvements.

8.1 Exterior Painting. Lessee agrees to pay up to Fifteen Thousand Dollars (\$15,000.00) towards the exterior painting of the Railway Car. The paint color, the cost of painting, and contractor shall be mutually agreed upon by Lessor and Lessee. The exterior painting shall be completed no later than June 30th 2023.

8.2 WIFI. Lessor shall permit the Lessee to install a WIFI system in the Railway Car, at Lessee’s sole cost and expense.

8.3. Other. Any additional capital improvements to the Railway Car during the Term and the cost thereof shall be mutually agreed upon by Lessor and Lessee, provided in no event shall Lessee be required to pay more then one-half of such costs.

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Lessor’s Initials DS
JK DS
GJR

9. Option to Purchase. Lessor hereby grants Lessee the exclusive option to purchase the Railway Car during the Term, free and clear of all liens, claims and encumbrances (the “Option”), for the sum of Three Hundred Twenty-Five Thousand Dollars (\$325,000.00) (the “Purchase Price”). Lessee may exercise the Option by delivering Lessor its written notice at any time before January 1, 2024. If Lessee exercises the Option, the Seventy-Five Thousand Dollars (\$75,000.00) rent payment shall be credited against the Purchase Price, for a net amount due at the closing of the purchase of Two Hundred Fifty Thousand Dollars (\$250,000.00) (the “Net Purchase Price”).

9.1 As-Is, Where-Is. Lessor acknowledges the Railway Car will be sold “as-is, where-is, EXCEPT AS OTHERWISE PROVIDED FOR HEREIN, LESSOR MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, AS TO THE CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR ANY OTHER MATTER CONCERNING THE RAILWAY CAR.

9.2 Closing Procedures. The closing of the purchase and sale of the Railway Car shall take place within Thirty (30) days after Lessee exercises the Option. Lessor’s broker, Ozark Mountain Railcar, will provide escrow and contract services for this transaction, to be mutually agreed upon by Lessor and Lessee.

9.3 Representations and Warranties. In connection with the sale of the Railway Car to Lessee, Lessor hereby represents and warrants to the Lessee that:

(a) it is the sole owner of the Railway Car, and has the authority to sell the Railway Car, free and clear of all claims, debts, liens, security interests and encumbrances;

(b) to its actual knowledge, the Railway Car complies with all applicable, laws, rules and regulations.

9.4 Covenants. Lessor agrees to be available to Lessee without charge to consult in physical and mechanical operation of the Railway Car, including any associated matters to operate the Railway Car on Amtrak, for a period of two (2) years from the date of closing. However, if Lessor is required to make any expenditures in advising Lessee, Lessee will reimburse Lessor for those expenditures.

9.5 Delivery. Lessor will make the Railway Car available to Lessee immediately after full payment of the net Purchase Price has been received by Lessor, and a Bill of Sale or other appropriate transfer of title, as approved by Lessee’s legal counsel, will be executed and delivered between Lessor and Lessee.

10. Destruction. If the Railway Car shall be completely destroyed during the Term without any fault of Lessee, then Lessee may, at its option, cancel this Agreement as of the date on which such event occurred, and the Lessor shall promptly refund the Rent, on a proportional basis for the remaining Term. In that event, all insurance proceeds will become the property of Lessor.

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11. Default. The occurrence of any one of the following shall constitute a material default under this Agreement:

10.1 Failure to Pay. Failure to make the required payment when due and beyond any applicable cure period.

10.2 Insolvency. The insolvency or bankruptcy of either party.

10.3 Levy. The subjection of the Railway Car to any levy, seizure, general assignment for the benefit of creditors, application or sale for or by any creditor or government agency.

10.4 Failure to Deliver. The failure to make available or deliver the Railway Car in the time and manner provided for under this Agreement.

10.5 Breach. A breach by Lessor or Lessee of any of its obligations under this Agreement,

12. Remedies in the Event Default Occurs. In addition to any and all other rights available according to law or equity, if either party defaults by failing to substantially perform any material provision, term or condition of this Agreement, which if a non-monetary failure is not remedied within thirty (30) days after notice thereof, or in the case of a monetary payment, which is not cured within three (3) business days of providing written notice thereof, the non-breaching party may terminate this Agreement upon written notice to the breaching party. The notice shall describe with sufficient detail the nature of the default. Neither party shall be responsible for any indirect or consequential damages, including lost profits, or for punitive damages.

13. Assignment. Neither party may assign or transfer this Agreement without prior written consent of the other party, which consent shall not be unreasonably withheld.

14. Confidential Information. Each party acknowledges that during this course of performance of this Agreement, each may obtain confidential information regarding the other party's business. Both parties agree to treat all such information and the terms of this Agreement as confidential, and to take all reasonable precautions against disclosure of such information to unauthorized third parties during and after the term of this Agreement. Upon request of either party, all documents relating to confidential information will be turned over to that party.

15. Notices. All notices required or permitted under this Agreement shall be in writing and shall be deemed delivered when: (i) delivered in person, by fax or electronically, or (ii) five (5) days after being deposited in the United States mail, postage prepaid, and addressed as follows:

If for Lessor: Redwood Empire Railcar L.L.C.
243 Reynard Lane
Vallejo, California 94591
genrail1@outlook.com

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Lessor's Initials Jk GJR

If for Lessee: Panama Pacific Consulting LLC.
c/o Stacks Bowers Galleries
Attn: Andrew Glassman
1550 Scenic Avenue, Suite 150
Costa Mesa, CA, 92626
andrew@stacksbowers.com

16. Amendment. This Agreement may be modified or amended if the amendment is made in writing and is signed by both parties.

17. Severability. If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written and enforced as so limited.

18. Entire Agreement. This Agreement constitutes the entire agreement between the parties, and no oral agreements or statements will be effective or binding on either party. The provisions of this Agreement can only be amended or changed by a written document signed by both Lessee and Lessor. This Agreement supersedes any prior written or oral agreements that may exist between the parties.

19. Waiver of Rights. The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver of limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

20. Construction and Attorney's Fees. This Agreement shall be construed under the law of the State of California. Jurisdiction for any litigation related to this Agreement shall be exclusive to Orange County, California. In the event either party has to bring suit on account of the other party's breach of this Agreement, the non-breaching party shall be entitled to reimbursement for its reasonable attorney's fees and costs incurred therein. The parties, by entering into this Agreement, agree to waive their right to a jury trial in the event it is necessary to file suit.

21. Ozark Mountain Railcar's Liability. It is specifically understood and agreed to by both parties that Missouri Railroad Group, L.L.C., d/b/a Ozark Mountain Railcar ("OMR"), has made no representations whatsoever based on its knowledge of the Railway Car and has made no investigation to verify any representations made by either Lessee or Lessor. Further, it is agreed by both Lessee and Lessor to waive any and all claims they may have against OMR as a result of this Agreement, unless Ozark fails to deliver to Lessor the monies due Lessor from the escrow.

IN WITNESS WHEREOF, the Lessor and Lessee have executed this Agreement by their authorized representatives as of the date first above written.

Lessee's Initials 

Lessor's Initials  

Lessee:

PANAMA PACIFIC CONSULTING, LLC,
a California limited liability company

DocuSigned by:
By: Gregory Roberts 11/29/2022 | 4:57 PM
3DCB078572D9465...
Gregory Roberts, Manager

Lessor:

REDWOOD EMPIRE RAILCAR L.L.C.
a California limited liability company

DocuSigned by:
By: Jon Kirchanski 11/29/2022 | 2:30 PM PST
041BACCA85C64E9...
Jon Kirchanski, Manager

Lessor:

SF-PV, L.L.C.
a California limited liability company

DocuSigned by:
By: Gregory J. Ryken 11/29/2022 | 3:55 PM CST
504017DCF77D4A8...
Gregory J. Ryken, Manager

EXHIBIT A

Railroad Passenger Car known as Redwood Empire, Amtrak ID #800243

Purchase Price: \$325,000.00

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This form contains confidential financial information and should only be shared with trusted and known individuals/businesses.

Ozark Mountain Railcar Wire Transfer Instructions

If the sending bank has any questions, please contact Central Bank's wire desk at 573-634-1160.

INCOMING WIRE INSTRUCTIONS

Receiving Bank: **Routing # 086500634**
Central Bank
Jefferson City, MO, USA

Beneficiary: **Acct# 124124603**
Missouri Rail Group L.L.C d/b/a Ozark Mountain Railcar
315 Mincy Lane, Kirbyville, MO 65679

Additional Information: Please reference Buyer's name and item being purchased as it appears on the sales contract.

INTERNATIONAL INCOMING WIRE INSTRUCTIONS

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SWIFT CODE: CTUSUS44

Bank: Central Bank

238 Madison Jefferson City, MO, USA

Beneficiary: Acct# 124124603

Missouri Rail Group L.L.C d/b/a Ozark Mountain Railcar
315 Mincy Lane, Kirbyville, MO 65679

Additional Information: Please reference Buyer's name and item being purchased as it appears on the sales contract.

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