Case 2 08-bk-62/33 Claim 192-1 Filed 05/19/09 Desc Main	Document Page 1 of
B 10 (Official Form 10) (12/08)	
UNITED STATES BANKRUPTCY COURT Southern District of Ohio Name of Debtor Thiad Descourages inc.	PROOF OF CLAIN
Name of Debtor TRIAD RESOURCES INC	C isc Number 08-62733
NOTE This form should not be used to make a claim for an administrative expense arising after the commencement administrative expense may be filed pursuant to 11 U.S.C. § 503	
Name of Creditor (the person or other entity to whom the debtor owes money or property) PEOPLES BANK, NATIONAL ASSOCIATION	Check this box to indicate that this claim amends a previously filed
Name and address where notices should be sent JAMES S. HUGGINS, THEISEN BROCK, LPA 424 SECOND STREET MARIETTA OH 45750	Court Claim Number(If known)
1 clephone number (740) 373 5455	Filed on
Name and address where payment should be sent (if different from above)	Theck this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.
Telephone number	O Check this box if you are the debtor or trustee in this case
1 Amount of Claim as of Date Case Filed \$ 71 706 90 *	5 Amount of Claim Entitled to
If all or part of your claim is secured complete item 4 below however, if all of your claim is unsecured do not complete item 4	Priority under 11 U.S.C. §507(a) If any portion of your claim falls in one of the following categories, check the box and state the
If all or part of your claim is entitled to priority complete item 5	amount
The head this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.	Specify the priority of the claim 17 Domestic support obligations under
2 Basis for Claim MONEY LOANED (See instruction #2 on reverse side)	11 U S C §507(a)(1)(A) or (a)(1)(B)
3 Last tour digits of any number by which creditor identifies debtor 7149	(3) Wages salaries or commissions (up to \$10.950*) carned within 180 days
3a Debtor may have scheduled account as	before filing of the bankruptcy petition or cessation of the debtor's
4 Secured Claim (See instruction #4 on reverse side) Check the appropriate box if your claim is secured by a licin on property or a right of setoff and provide the requested information.	business, whichever is earlier - 11 USC \$507 (a)(4)
Nature of property or right of setoff DReal Litate Motor Vehicle Tothic Describe COPY OF OIL AND GAS LEASE ATTACHED	Plan - 11 U S C \$507 (a)(5)
Value of Property \$ 80,000 00 Annual Interest Rate 7 500 %	Up to \$2 425* of deposits toward purchase lease or rental of property or vervices for personal family or
Amount of arrearage and other charges as of time cast filed included in secured claim,	household use - 11 U S C \$507
if any \$Basis for perfection	Taxes or penalties owed to
Amount of Secured Claim \$ Amount Unsecured \$	governmental units - 11 U S C \\$507 (a)(8)
6 Credits The amount of all payments on this claim has been credited for the purpose of making this proof of claim 7 Documents Attach reducted copies of any documents that support the claim such as promissory notes purchase orders invoices, itemized statements of running accounts contracts judgments mortgages and security agreements	Other - Specify applicable paragraph of 11 U.S.C. §507 (a)()
You may also attach a summary Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary (See instruction 7 and definition of redacted on reverse side.)	Amount entitled to priority
DO NOT SEND ORIGINAL DOCUMENTS ATTACHED DOCUMENTS MAY BE DESTROYED ATTER SCANNING	*Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with
If the documents are not available please explain	respect to cases commenced on or after the date of adjustment
Date / 9/09 Signature The person filing this claim must sign it Sign and print name and title if any of the other person authorized to file this claim and state address and telephone number if different from	FOR COURT USF ONLY

address above. Attach copy of power of attorney if any

JAMES S HUGGINS, ATTORNEY FOR PEOPLES BANK, NATIONAL ASSOCIATION

Penalty for presenting fraudulent claim. Fine of up to \$500 000 or imprisonment for up to 5 years, or both 18 U.S.

MAY 19 2009

Principal | I can Date | Maturity | I can No | Call Cat | Account | Officer | Initials |
3150,122.90 | 08-73.2007 | 08-33.2010 | 5001007149 | F7 | F7 | Cat | Cat

Borrower TRIAD RESOURCES INC (TIN 34-1549614)

TRIAD RESOURCES INC (TIN 34-1549614) 27724 STATE ROUTE 7 PO SOX 430 RENO OH 45773 0430 Lender

Peoples Bank National Association Marietta Office 138 Putnam Street P O Box 738 Marietta OH 45750-0738

Principal Amount \$150 122 00

Interest Rate 7 500%

Date of Note August 13 2007

PROMISE TO PAY TRIAD RESOURCES INC ("Borrower") promises to pay to Peoples Bank National Association I Lender") or order in lawful money of the United States of America, the principal amount of One Hundred Fifty Thousand One Hundred Twenty two & 00/100 DeBars (\$150-122-00) together with interest at the rate of 7 500% per annum on the unpaid principal balance from August 13 2007 until paid in full The interest rate may chonge under the terms and conditions of the INTEREST AFTER DEFAULT" section

PAYMENT Borrower will pay this loan in 36 payments of \$4 677.83 each payment. Borrower a first payment is due September 13, 2007, and all subsequent payments are due on the same day of each month after that Borrower a final payment will be due on August 13, 2010, and will be for all principal and all accrued interest not yet pad. Payments include principal and interest. Unless otherwise agreed or required by applicable law payments will be applied first to any accrued unpaid interest, then to principal then to any unpaid collection costs and then to any late charges. The annual interest rate for this Note is computed on a 365/360 basis, that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance in multiplied by the actual number of days the principal balance is outstanding. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

PREPAYMENT MINIMUM INTEREST CHARGE Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early paymen. (whether voluntary or as a result of detault) except as otherwise required by law. In any event, it ven upon full prepayment of this Note. Borrower understands that Lender is entitled to a minimum interest charge of a100.00. Other than Borrower's obligation to pay any minimum interest charge. Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not unless agreed to by Lender in writing relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather early payments will reduce the principal belance due and may result in language. If Borrower payments. Borrower egrees not to send Lender payment is marked paid in full. without recourse or similar language. If Borrower bends such a payment Londer may accept it without losing any of Lender's rights under this Note and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts including any check or other payment instrument that indicates that the payment constitutes payment in full of the amount owed or that is tendered with other conditions or limit attends as full satisfaction of a disputed amount must be mailed or delivered to Peoples Bank, National Association. Marietta Office, 138 Putnam Street, P.O. Box 738, Marietta OH 45750, 0738.

LATE CHARGE If a payment is 10 days or more late. Borrower will be charged 5 000% of the regularly scheduled payment

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased by 2 000 percentage points. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT Each of the following shall constitute an event of default (Event of Default) under this Note

Payment Default Borrower fails to make any payment when due under this Note

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

False Statements. Any war anty representation or statement made or furnished to Lendar by Borrower or on Borrower's behalf under this Note of the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Insolvency. The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workour or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings
Commencement of foreclosure or forfeiture proceedings whether by judicial proceeding self-help repossession or any other method by any creditor of Borrower or by any governmental agency against any collateral securing the loan This includes a garnishment of any of Borrower as accounts including deposit accounts with Lender However this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and deposits with Lender monites or a surery bond for the creditor or forfeiture proceeding and deposits with Lender monites or a surery bond for the creditor or forfeiture proceeding in an amount determined by Lender in its sole discretion as being an adequate reserve or bond for the dispute

Events Affecting Guaranter. Any of the preceding events occurs with respect to any guaranter endorser surety or accommodation party of any of the indebtedness or any guaranter endorser surety or accommodation party dies or becomes incompetent or revokes or disputes the validity of or liability under, any guaranty of the indebtedness evidenced by this Note.

Change in Ownership Any change in ownership of twenty five percent (25%) or more of the common stock of Borrower

Adverse Change A material adverse change occurs in Borrower's financial condition or Lender believes the prospect of payment or performance of this Note is impaired

insecurity Lender in good faith be leves itself insecure

LENDER'S RIGHTS. Upon default, Lender may declare the antire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount

ATTORNEYS FEES EXPENSES Lender may hire or pay someone else to help collect this Note if Borrower does not pay Borrower will pey Lender that amount. This includes subject to any limits under applicable law. Lender's attorneys' fees and Lender's legal expenses whether or not there is a lawsuit including attorneys fees expenses for bankruptcy proceedings lincluding efforts to modify or vacate any automatic stay or injunction and appeals. If not prohibited by applicable law. Borrower also will pay any court costs in addition to all other sums provided by law.

JURY WAIVER. Lender and Sorrower hereby waive the right to any jury trial in any action proceeding, or counterclaim brought by either Lender or Borrower against the other

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and to the extent not preempted by federal law the laws of the State of Ohio without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Ohio.

CONFESSION OF JUDGMENT Borrower hereby irrevocably authorizes and empowers any attorney at law including an attorney hired by Lender to appear in any court of record and to confess judgment against Borrower for the unpaid amount of this Note as audenced by an affidavit signed by an officer of Lender setting forth the amount then due attorneys fees plus costs of suit and to release all errors and waive all rights of appeal. If a copy of this Note verified by an affidavit shall have been filed in the proceeding, it will not be necessary to file the original as a warrant of attorney. Borrower waives the right to any stay of execution and he benefit of all exemption laws now or hereafter in such exercises shall be held by any court to be invalid vaidable or void but the power will be deemed to exhaust the power whether or not any such exercises shall be held by any court to be invalid vaidable or void but the power will continue undiminished and may be exercised from time to time as Lender may elect until all amounts owing on the Note have been paid in full. Borrower waives any conflict of interest that an attorney hitred by Lender may have in acting on behalf of Borrower in confessing judgment against Borrower while such attorney is retained by Lender.

DISHONORED ITEM FEE. Borrower will pay a red o Landar of \$32.00 if Borrower makes a payment on Borrower a loan and the check or preauthorized charge with which Borrower pays is later dishonored.

RIGHT OF SETOFF To the extent permitted by applicable law. Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking bavings or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future indowever this does not include any IRA or Keogh accounts or any trust accounts for which satoff would be prohibited by law. Borrower authorizes Lender to be extent permitted by applicable law to charge or setoff all sums owing on the indebtadness against any and all such accounts.

Page 2

Page 3 of

Loan No 5001007149

COLLATERAL Borrower acknowledges this Note is secured by NEW 2007 MACK CV713 GRANITE VACUUM TRUCK VIN #1M2AG1 C87M062811 WITH ALL STANDARD EQUIPMENT PLUS THE FOLLOWING 2007 DICKIRSON-BUILT 80 BBL VACCUM SYSTEM COLLATERAL #46_5 PLUS ALL ATTACHMENTS AND ACCESSORIES

REGULATION Z If your deposit account has been taken as collateral for this loan the annual percentage rate does not reflect the deposit seculing this loan or the interest earned on that deposit

ADDITIONAL TERMS & AGREEMENTS Borrower agrees to provide upon request or as specified in any business loan agreement or any other agreement or loan with lender any financial statements or tax information of other information lender may deem necessary from time to time during the period of time any loan balance is outstanding or commitment to loan funds is in effect. Borrower warrants that all financial statements and information provided are or will be accurate correct current and complete and that same will be provided within (7) seven calendar days of request

COMMITMENT TO PAY ATTORNEYS FEES Pursant to Ohio Revised Code Section 1301 21 the Borrower hereby agrees to pay attorneys fees that arise in connection with the enforcement of this Note. Upon imaturity of the debt" as defined in Ohio Revised Code 1301 21 (A) (3) the Gorrower agrees to pay attorneys fees to Lender in the amount of either a) % of the then outstending balance due from the Borrower to the Londer or (b) an amount equal to the attorneys fees customarily charged by the attorney or ettorneys rendering the services at the option of

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower and upon Borrower's heirs, personal representatives successors and assigns, and shall incre to the benefit of Lender and its successors and assigns

GENERAL PROVISIONS If any part of this Note cannot be enforced, this fact will not affect the rest of the Note Borrower does not agree or intend to pay and Lender does not agree or intend to contract for, charge collect take reserve or receive (collectively referred to herein as charge or collect.) any amount in the nature of interest or in the nature of a fee for this idean, which would in any way or event (including demand prepayment or acceleration) cause Lender to charge or collect more for this loan than the maximum Lender would be permitted to charge or collect by federal law or the law of the State of Ohio (as applicable). Any such excess interest or unauthorized fee shall instead of anything stated to the contrary be applied first to reduce the principal balance of this foan and when the principal has been paid in full be refunded to Borrower. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note to the extent allowed by law, walve presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note and unless otherwise expressity stated in Witting no party who signs this Note whether as maker guarantor accommodation maker or endorser shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral, or impair, fast to realize upon or perfect Lender's security interest in the collateral, and take any other action deamed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several

PRIOR TO SIGNING THIS NOTE BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE BORROWER AGREES TO THE TERMS OF THE NOTE

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE

NOTICE FOR THIS NOTICE "YOU MEANS THE BORROWER AND "CREDITOR" AND HIS" MEANS LENDER

WARNING - BY SIGNING THIS PAPER YOU GIVE UP YOUR RIGHT TO NOTICE AND COURT TRIAL IF YOU DO NOT PAY ON TIME A COURT JUDGMENT MAY BE TAKEN AGAINST YOU WITHOUT YOUR PRIOR KNOWLEDGE AND THE POWERS OF A COURT CAN BE USED TO COLLECT FROM YOU REGARDLESS OF ANY CLAIMS YOU MAY HAVE AGAINST THE CREDITOR WHETHER FOR RETURNED GOODS, FAULTY GOODS, FAILURE ON HIS PART TO COMPLY WITH THE AGREEMENT OR ANY OTHER ON HIS PART TO COMPLY WITH THE AGREEMENT, OR ANY OTHER CAUSE

BORROWER

TRIAD RESOURCES INC

KEAN A WEAVER President of TRIAD RESOURCES

Case 2 08-bk-62733 Claim 192-1 Filed 05/19/09 Desc Main Document Page 4 of

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	References in the shaded area arc for Lendor's usu only and do not limit the applicability of this document to any particular loan o item							
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Grantor

TRIAD RESOURCES INC (TIN 34 1549614) 27724 STATE ROUTE 7 PO BOX 430 RENO DH 45773-0430

Lender

Peoples Bank National Association Marietta Office 138 Putnam Street Merletta OH 45750 0738

TITLE NO \$400599855 138 Putnam P O Box 738

SEP 07 2007

THIS COMMERCIAL SECURITY AGREEMENT dated August 13, 2007 is made and executed between TRIAD RESOURCES INC (Grantor) and Peoples Bank National Association ("Lender")

GRANT OF SECURITY INTEREST

For valuable considerable of the property of the rights attended to the Collateral in addition to all other rights which Lender may have by law which Lender may have by law

COLLATERAL DESCRIPTION The word 'Collateral' as in this Agreement means the following described property in which Grantor is ased giving to Londor a security inferest for the payment of the ndebtedness and performance of all other obligations under the Note and this Agreement

2007 MACK CV713 GRANITE VACUUM TRUCK (VIN 1M2AG11C87M062811)

In addition, the word. Collateral, also includes all the following

- At All accessions attachments, accessories replacements of and additions to any of the colleteral described herein, whether added now or later
- (B) All products and produce of any of the property described in this Collateral section
- (C) All accounts general intangibles, instruments rents monies payments and all other rights arising out of a sale lease consignment or other disposition of any of the property described in this Collateral section
- (D) All proceeds lincluding insurance proceeds) from the sale destruction loss or other disposition of any of the property described in this Colleteral section, and sums due from a third party who has damaged or destroyed the Colleteral or from that party a insurer, whether due to judgment settlement or other process
- (E) All records and data relating to any of the property described in this Collateral section, whether in the form of a writing, photograph microfilm in crofiche or electronic media together with all of Grantor's right title, and interest in and to all computer software required to utilize create maintain and process any such records or data on electronic media

RIGHT OF SETOFF To the extent permitted by applicable law Lender reserves a right of setoff in all Grantor's accounts with Lender (whether checking savings or some other account). This includes all accounts Grantor holds jointly with someone else and all accounts Grantor may open in the future. However, this does not include any IRA or Keogh accounts or any trust accounts for which setoff would be prohibited by law. Grantor authorizes Lender to the extent permitted by applicable law to charge or setoff all sums owing on the Indebtedness against any and all such accounts

GRANTOR'S REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE COLLATERAL. With respect to the Collateral Grantor represents and promises to Lender that

Perfection of Security Interest Grantor agrees to take whatever actions are requested by Lender to perfect and continue Lender's security interest in the Colleteral. Upon request of Lender, Grentor will deliver to Lender any and all of the documents evidencing or constituting the Collateral, and Grantor will note Lender's interest upon any and all chattel paper and instruments if not delivered to Lender for possession

Notices to Lender Grantor will promptly notify Lender in writing at Lender's address shown above for such other addresses as Lender may designate from time to time) prior to any (1) change in Grantor's name (2) change in Grantor's assumed business name(s) (3) change in the management of the Corporation Crantor (4) change in the authorized signer(s) (5) change in Grantor's principal office address (6) change in Grantor's state of organization. (7) conversion of Grantor to a new or different type of business entity or (8) change in any other aspect of Grantor that directly or indirectly relates to any agreements between Grantor and Lender No change in Grantor's name or state of organization will take effect until after Londer has received notice

No Violation The execution and delivery of this Agreement will not violate any law or agreement governing Grantor or to which Grantor is a party and its certificate or articles of incorporation and bylows or code of regulations do not prohibit any term or condition of this Agreement

Enforceability of Collateral. To the extent the Collateral consists of accounts chattel paper or general intangibles as defined by the Uniform Commercial Code the Collateral is enforceable in accordance with its terms is genuine and fully complies with all applicable laws and requisitions concerning form content and manner of preparation and execution and all persons appearing to be obligated on the Collateral There shall be no setoffs Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral or counterclaims against any of the Collateral, and no agreement shall have been made under which any deductions or discounts may be claimed concerning the Collateral except those disclosed to Lender in writing

Location of the Colleteral Except for vehicles and except otherwise in the ordinary course of Grantor's business. Grantor agrees to keep the Collateral at Grantor's address shown above or at such other locations as are acceptable to Lender. If the Collateral is a vehicle Grantor will keep the Collateral at those addresses except for routine trevel. Upon Lender's request Grantor will deliver to Lender in form satisfactory to Lender a schedule of real properties and Collateral locations relating to Grantor's operations including without limitation the following (1) all real property Grantor owns or is purchasing (2) all real property Grantor is enting or leasing (3) all storage facilities Grantor owns rents leases or uses and (4) all other properties where Collateral is or may be located

Removal of the Collateral Except in the ordinary course of Grantor's business. Grantor shall not remove the Collateral from its existing location without Lender's prior written consent. To he extent that the Collateral consists of vehicles or other titled property. Crantor shall not take or permit any action which would require application for certificates of title for the vehicles outside the State of Ohlo without Lender's prior written consert. Gran or shall whenever requested advise Lender of the exact location of the Collateral

Transactions Involving Collateral Except for inventory sold or accounts collected in the ordinary course of Grantor's business or as otherwise provided for in this Agreement, Grantor shall not sell offer to sell or otherwise transfer o dispose of the Collateral Grantor shall not piedge mortgage encumber or otherwise permit the Collateral to be subject to any lien security interest encumbrance or shall for people mortgage encumber of otherwise permit the Collateral to be subject to any lien security interest encumbrance or cherge other than the security interest provided for in this Agreement, without the prior written consent of Lender. This includes security interests even if jumor in right to the security interests glanted inder this Agreement. Unless waived by Lender all proceeds from ally disposition of the Collateral (for whatever reason) shall be held in trust for Lender and shall not be commingled with any other funds provided however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt Grantor shall immediately deliver any such proceeds to Lender

Title Grantor represents and warrants to Lender that Grantor holds good and marketable title to the Collateral free and clear of all liens and encumbrances except for the lien of this Agreement. No financing statement covering any of the Collateral is on file in any public office other than those which reflect the security Interest created by this Agreement or to which Lender has specifically consented Grantor shall defend Lendor's rights in the Collateral against the claims and demands of all other persons

Grantor agrees to keep and memaan and to cause others to keep and maintain the Collateral in good o der repair and condition at all times while this Agreement remains in effect. Grantor further agrees to pay when due all claims for work done on or services rendered or mate lai furnished in connection with the Collateral so that no lien or encumbrance may ever attach to or be filed against the Collateral

Inspection of Collateral Lender and Lender's designated representatives and agents shall have the right at all reasonable times to examina and inspect the Collateral wherever located

Taxes Assessments and Liens Grantor will pay when due all taxes assessments and flens upon the Colleteral its use or operation in on this Agreement upon any promissory note or notes evidencing the Indebtedness or upon any of the other Related Documents. Grantor

Loan No 5001007149

Page 2

may withhold any such payment or may elect to contost any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized in Lender's sole opinion. If the Collateral is subjected to a lien which is not discharged within lifteen (15) days. Grantor shall deposit with Lender cash, a sufficient corporate surety bond or other security sansfactory to Lender in an amount adequate to provide for the discharge of the lien plus any interest, costs attorneys fees or other charges that could accrue as a result of foreclosure or sale of the Collateral in any contest Grantor shall defend stitutes to be the control of the co such taxes assessments and governments and other charges have been paid in full and in a timely manner. Grantur may withhold any such paymen or may elect to contest any lien if Grantor is in good farth conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized

Compliance with Governmental Requirements. Grentor shall comply promptly with all laws ordinances rules and regulations of all governmental authorities how or hereafter in affect applicable to the ownership production disposition, or use of the Colleteral including Compliance with Governmental Requirements all laws or regulations relating to the undue erosion of highly erodible land or relating to the conversion of wetlands for the production of a agricultural product or commodity. Grantor may contest in good tauth any such law ordinance or regulation and withhold compliance during any proceeding including appropriate appeals so long as Londor's interest in the Collateral in Lander's opinion is not jeopardized

Hazardous Substances Grantor represents and warrants that the Collateral never has been and never will be so long as this Agreement remains a ten un the Collateral used in violation of any Environmental Laws or for the generation immufacture storage transportation treatment disposel release or threatened release of any Hazardous Substance. The representations and warranties contained herein are based on Grantor's due difigence in investigating the Collateral for Hozardous Substances Grantor hereby (1) releases and waives any future claims against Lender for indomnity or contribution in the even Granter becomes hable for cleanup or other costs under any Environmental Laws and (2) agrees to indemnify defend and hold harmless Lander against any and all claims and losses resulting from a breach of this provision of this Agreement. This obligation to indemnify and defend shall survive the payment of the Indebtedness and the satisfaction of this Agreement

Maintenance of Casualty Insurance Grantor shall produce and maintain all risks insurance including without limitation fire theft and liability coverage regether with such other insurance as Lender may require with respect to the Colleteral in form, amounts coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender Grantor upon request of Lender will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender including supulations that coverages will not be cancelled or diminished without at least ten (10) days prior written notice to Lender and not including any disclaimer of the insurer's liability for failure to give such a notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act omission of default of Grantor or any other person. In connection with all policies covering assets in which Lender holds or is offered a security interest. Grantor will provide Lender with such loss payable or other endorsaments as Lender may require. If Grantor at any time fails to obtain or maintain any insurance as required under this Agreement Lender may (but shall not be obligated to) obtain such insurance as Lender deems appropriate including if Lender so chooses single interest insurance which will cover only Lender a interest in the Collateral

Application of Insurance Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Collateral if the estimated cost of Application in Institute Proceeds 500 00 whether or not such casualty or loss is covered by insurance. Lender may make proof of loss of Grantor fails to do so within fifteen (15) days of the casualty. All proceeds of any insurance on the Collateral including accrued proceeds thereon shall be hold by Lender as part of the Collateral. If Lender consents to repair or replacement of the damaged or destruyed Collateral Lender shall upon satisfactory proof of expenditure—pay or reimbursa Grantor from the proceeds for the reasonable cost of repair or restoration—if Lender does not consent to repair or replacement of the Colleteral—Lender shall retain a sufficient amount of the proceeds to pay all of the Indebtedness and shall pay the balance to Grantor—Any proceeds which have not been disbursed within six (6) months after their receipt and which Grantor has not committed to the repair or restoration of the Collateral shall be used to prepay tha

Insurance Reserves Lender may require Grantor to meintain with Lender reserves for payment of insurance premiums, which reserves shall be created by monthly payments from Grantor of a sum assimated by Lender to be sufficient to produce, at least fifteen (15) days before the premium due date, amounts at least equal to the insurance premiums to be paid. If fifteen (15) days before payment is due the resorve funds are insufficient. Grantor shall upon demand pay any deficiency to Lender. The reserve funds shall be held by Lerder as a general deposit and shall constitute a non-interest beering account which Lender may satisfy by payment of the insurance premiums required to be paid by Grantor as they become due. Lender does not hold the reserve funds in trust for Grantor and Lender is not the agent of Grantor. for payment of the insurance premiums required to be paid by Grantor The responsibility for the payment of premiums shall remain Grantor's sole responsibility

Insurance Reports Grantor upon request of Lender shall turnish to Lender reports on each existing policy of insurance showing such information as Lender may reasonably request including the following (1) the name of the insurer (2) the risks insured (3) the amount of the policy (4) the property insured (5) the then current value on the basis of which insurence has been obtained and the manner of determining that value and (6) the expiration date of the policy. In addition Grantor shall upon request by Lender (however not more often than annually) have an independent appraiser satisfactory to Lender determine as applicable, the cash value or replacement cost of

Financing Statements Grantor authorizes Lender to file a UCC financing statement, or alternatively a copy of this Agreement to perfect Lender's security interest. At Lender's request Grantor additionally agrees to sign all other documents that are necessary to perfect protect and continue Lender's security interest in the Property. Grantor will pay all filing fees title transfer fees and other fees and costs involved unless prohibited by taw or unless Lender is required by taw to pay such fees and costs. Grantor irrevocably appoints Lender to execute documents necessary to transfer title if there is a default. Lender may file a copy of this Agreement as a financing statement. If Grantor changes Grantor's name or address or the name or address of any peison granting a security interest under this Agreement changes. Grantor will promptly notify the Lender of such change

GRANTOR S RIGHT TO POSSESSION. Until default. Grantor may have possession of the tangible personal property and beneficial use of all the Collateral and may use it in any lawful manner not inconsistent with this Agreement or the Related Documents. provided that Grantor's right to possession and beneficial use shall not apply to any Collateral where possession of the Collateral by Lender is required by law to perfect Lender's security interest in such Collateral. If Lender at any time has possession of any Collateral, whether before or after an Event of Default Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if Lender takes such action for that purpose as Grentor shall request or as Lender in Lender's sole discretion, shall deem appropriate under the circumstances, but failure to honor any request by Grantor shall not of itself be deemed to be a failure to exercise reasonable care. Lender shall not be required to take any steps necessary to preserve any rights in the Collateral against prior parties, nor to protect, preserve or maintain any security interest given to secure the Indebtedness

LENDER'S EXPENDITURES If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if discharge or pay when due any amounts Grantor is required to discharge or pay under this Agreement or any Related Documents. Linder on Granton's hehalf may (but shall not be obligated to) take any action that Lender deems appropriate including but not limited to discharging or crantor's herialt may (but shall not be obligated to) take any action that Lender deems appropriate including but not limited to discharging or paying all taxes liens security interests encumbrances and other claims at any time levied or placed on the Collateral and paying all costs for nsuring meintaining and preserving the Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and at Lender's option will (A) be payable on demand. (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either 11) the term of any applicable insurance policy or (2) the remaining term of the Note, or (C) be treated as a balloon payment which will be due and payable at the Note a maturity. The Agreement also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon

DEFAULT Each of the following shall constitute an Event of Default under this Agreement

Payment Default - Grantor fails to make any payment when due under the Indebtedness

Other Defaults. Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Cocuments of to comply with or to perform any term obligation covenant or condition contained in any other agreement between Lander and Crantor

Any warranty representation or stetement made or furnished to Lender by Grantor or on Grantor's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter

Defective Colleteralization. This Agreement or any of the Related Documents Leases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lient at any time and for any reason

Loan No 5001007149

Page 3

The dissolution or termination of Gran or a existence as a going business, the insolvency of Grantos, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Forfeiture Proceedings Commencement of foreclosure or forfeiture proceedings whether by judicial proceeding self-help repossession or any other method by any creditor of Grantor or by any governmental agency against any collate at securing the indebtedness. This includes a garnishment of any of Grantor is accounts including deposit accounts with Lender However this Event of Default shall not apply if there is a good falth dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and If Grantor gives Lender written notice of the graditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding in an amount determined by Lender in its sole discretion, as being an adequate reserve or bond for the dispute

Events Affecting Guarantor Any of the preceding events occurs with respect to any guarantor endorser surety or accommodation party of any of the indebtedness or guarantor endorser surety or accommodation party dies or becomes incompetent or revokes or disputes the validity of or liability under any Guaranty of the Indebtedness

Adverse Change A material adverse change occurs in Granton's financial condition or Lender believes the prospect of payment or performance of the Indebtedness is impaired

Insecurity Lender in good faith believes itself insecure

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Agreement, at any time thereafter Lender shall have all the rights of a secured party under the Ohio Uniform Commercial Code in addition and without limitation. Lender may exercise any one or more of the following rights and remedies

Accelerate indebtedness. Lender may declare the entire indebtedness, including any prepayment penalty which Grantor would be required to pay immediately due and payable without notice of any kind to Granton

Assemble Colleteral I ender may require Grantor to deliver to Lender all or any portion of the Colleteral and any and all certificates of title and other documents relating to the Collectral Lender may require Crantor to assemble the Collectral and make it available to Lender at a place to be designated by Lender Lender also shall have full power to enter upon the property of Grantor to take possession of and remove the Collateral If the Collateral contains other goods not covered by this Agreement at the time of repossession Grantor agrees. Lender may take such other goods provided that Lender makes reasonable efforts to return them to Grantor after repossession.

Self the Collateral Lender shall have full power to sell lease, transfer or otherwise deal with the Collateral or proceeds thereof in Lender sown name of that of Granton Lender may sell the Collateral at public auction or private sale. Unless the Collateral threatens to decline own hame of the of the time and place of any public sale or the time after which any private sale or any other desposition of the Collateral is to be made. However, no notice need be provided to any person who latter Event of Default occurs, enters into and authenticates an agreement waiving that persons right to notification of sale. The requirements of reasonable notice shall be met if such notice is given at least ten (10) days before the time of the sele or disposition. All expenses relating to the disposition of the Collateral including without imitation the expenses of retaking holding insuring preparing for sale and selling the Collateral shall become a part of the indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate from date of expenditure until repaid

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Collateral, with the power to protect and preserve the Collateral, to operate the Collateral preceding foreclosure or sale, and to collect the Rents from the Collateral and apply the proceeds over and above the cost of the receivership against the indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Collateral exceeds the indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver

Collect Revenues, Apply Acopusts. Lender either itself or through a receiver may collect the payments, rents, income, and revenues from Lender may at any time in Lender's discretion transfer any Collateral into Lender's own name or that of Lender's nominee and receive the payments rents income and revenues therefrom and hold the same as security for the Indebtedness or apply it to payment of the Indebtedness in such order of preference as Lender may determine. Insofar as the Collateral consists of accounts general instangibles insurance policies instruments chattel paper choses in action or similar property Lender may demand collect receipt for settle compromise adjust sue for foreclose or realize on the Collateral as Lender may determine, whether or not indebtedness or Collateral is then due. For these purposes, Lender may on behalf of and in the name of Grantor, receive open and dispose of mail addressed to Grantor change any address to which mail and payments are to be sent and endorse notes checks drafts money orders documents of title instruments and items pertaining to payment shipment or storage of any Collateral. To facilitate collection, Lender may notify account debtors and obligors on any Collateral to make payments directly to Lender.

Obtain Deficiency If Lender chooses to sell any or all of the Collateral Lander may obtain a judgment against Grantor for any deficiency remaining on the indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this Agreement Grantor shall be liable for a deficiency even if the transaction described in this subsection is a sale of accounts or chattel

Other Rights and Remedies Londer shall have all the rights and remedies of a secured creditor under the provisions of tile Uniform Commercial Code as may be amended from time to time. In addition, Lender shall have and may exercise any or all other rights and remedies it may have available at law in equity or otherwise

Election of Remedies Except as may be prohibited by applicable law all of Lender's rights and remedies whether evidenced by this Agreement the Relateo Documents or by any other writing shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remoty shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Agreement, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies

MISCELLANEOUS PROVISIONS The following miscellaneous provisions are a part of this Agreement

Amendments This Agreement together with any Related Documents constitutes the entire understanding and agreement of the perties as to the matters sot forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the attention or amendment.

Attorneys Fees Expenses. Grantor agrees to pay upon demand all of Londer's costs and expenses, including Lender's attorneys, fees and Accorders legal expenses including efforts to modify or vecate any automatic stay or injunction) appeals and any anticipated post judgment collection. services. Grantor also shall pay all court costs and such additional fees as may be directed by the court

Caption Headings - Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement

Governing Law This Agreement w謝 be governed by federal law applicable to Lender and to the extent not preempted by federal law the laws of the State of Ohlo without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of

No Waiver by Lender Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender is right otherwise to demand strict compliance with that provision or any other provision of the Agreement. No prior valver by Lender not any course of dealing between Lender and Grantor shall constitute a waiver of any of Creators of the Agreement than granting of such consent by Lender in any instance. shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender

Notices. Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered when actually received by telefacermile funless otherwise required by faw), when deposited with a nationally recognized overnight courier or if mailed, when deposited in the United States mail as first class, certified or registered mail postage prepaid directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

Page 7 of Page 4

Power of Attorney Grantor hereby appoints Lender as Grantor's Irrevocable attorney in fact for the purpose of executing any documents necessary to perfect amend or to continue the security interest granted in this Agreement or to demand termination of filings of other security parties. Lender may at any time, and without further authorization from Grantor, file a carbon, photographic or other reproduction of any financing statement or of this Agreement for use as a financing statement. Grantor will reimburse Lender for all expenses for the perfection and the continuation of the perfection of Lender's security interest in the Collateral

Severability If a court of compelent jurisdiction finds any provision of this Agreement to be illegal invalid or unenforceable as to any circumstance that finding shall not make the offending p ovision illegal invalid or unenforceable as to any other circumstance. If feasible the offending provision shall be considered modified so that it becomes legal ivalid and enforceable. If the offending provision cannot be so modified it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality invalidity or unenforceability of any provision of this Agreement shall not affect the legality validity or enforceability of any other provision of this Agreement.

Successors and Assigns Subject to any limitations stated in this Agreement on transfer of Grantor's interest, this Agreement shall be pinding upon and inure to the benefit of the parties their successors and assigns. If ownership of the Collateral becomes vested in a person other than Grantor Lender without notice to Grantor may deal with Grantor's successors with reference to this Agreement and the Indebtudness by way of rorbearance or extension without releasing Grantor from the obligations of this Agreement or liability under the Indebtedness

Survival of Representations and Warranties. All representations warranties and agreements made by Grantor in this Agreement shall survive the execution and delivery of this Agreement, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor a Indebtedness shall be paid in full

Tune is of the Essence. Time is of the essence in the performance of his Agreement

DEFINITIONS The following capitalized words and terms shall have the following mountings when used in this Agreement. Unless specifically stated to the contrary all references to dollar amounts shelt mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural and the plural shall include the singular as the context may require. Words and terms not otherwise defined in the Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code.

Agreement The word Agreement means this Commercial Security Agreement as this Commercial Security Agreement may be amended or modified from time to time together with all exhibits and schedules attached to this Commercial Security Agreement from time to time

Borrower The word Borrower means TRIAD RESOURCES INC and includes ail co-signers and co makers signing the Note and all their successors and assigns

Colleteral. The word. Colleteral, means all of Grantor's right, title and interest in and to all the Colleteral as described in the Colleteral. Description section of this Agreement

Default. The word: Default' means the Default set forth in this Agreement in the section titled "Default

Environmental Laws The words Environmental Laws mean any and all state federal and local statutos regulations and ordinances compensation to the protection of human health or the environment including without limitation the Comprehensive Environmental Response Compensation and Liability Act of 1980 as amended 42 U.S.C. Section 9801 at seq. (CERCLA.) the Superfund Amendments and Resulthorization Act of 1986 Pub. L. No. 99 499 (SARA.) the Hazardous Materials Transportation Act. 49 U.S.C. Section 1801 at seq. the Resource Conservation and Recovery Act. 42 U.S.C. Section 6901 at seq. or other applicable state or federal laws rules or regulations adopted pursuant thereto

Event of Default. The words. Event of Default, mean any of the events of default set forth in this Agreement in the default section of this Agreement

Grantor The word "Grantor means TRIAD RESOURCES INC

Guaranty The word Guaranty means the guaranty from guarantor endorser surety or accommodation party to Lender including without limitation a guaranty of all or part of the Note

Hazardous Substances. The words. Hazardous Substances, mean materials that because of their quantity concentration or physical chemical or infectious characteristics may cause or rose a present of potential heard to human health or the onvironment when improperly used treated stored disposed of generated manufactured transported or otherwise handled. The words Hazardous Substances are used in their very broadest sense and include without limitation any and all hazardous or toxic substances imaterials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes without limitation patroleum and petroleum by products or any fraction thereof and asbestos

Indebtedness. The word, indebtedness, means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Grantor is responsible under this Agreement or under eny of the Related Documents

Lender The word Lender means Peoples Bank National Association its successors and assigns

Note: The word. Note: means the Note executed by TRIAD RESOURCES INC in the principal amount of \$150 122 00 dated August 13 2007 together with all renewals of extensions of modifications of refinancings of consolidations of and substitutions for the note of credit agreement

Property. The word "Property, means all of Grantor's right, title and Interest in and to all the Property as described in the Collateral Description section of this Agreement

The wolds "Related Documents Impan all promissory notes credit agreements loan agreements environmental Related Documents agreements guaranties security agreements mortgages aceds of trust security deeds collateral mortgages and all other instruments agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness

GRANTOR HAS READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS COMMERCIAL SECURITY AGREEMENT AND AGREES TO ITS TERMS THIS AGREEMENT IS DATED AUGUST 13 2007

GRANTOR

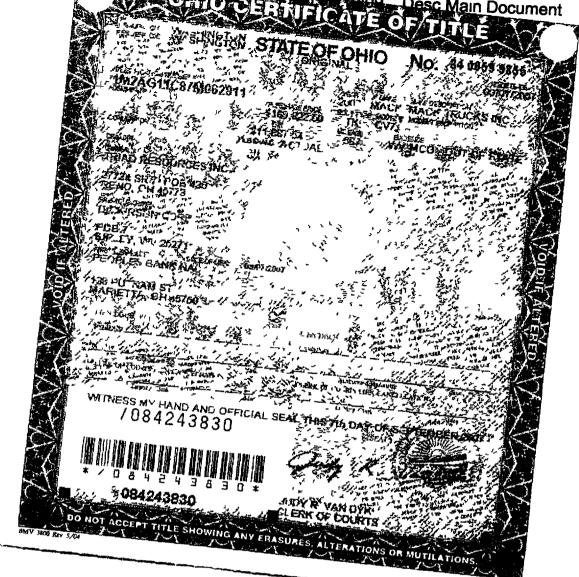
TRIAD RESOURCES INC

KEAN A WEAVER President of TRIAD RESOURCES INC

LENDER

PEOPLES BANK NATIONAL ASSOCIATION

Authorized Signer



Desc Main Document Page 9 of

Case 2 08-5K-52733

Claim 192-1 TAFILOF 9410
WASHINGTON COUNTY

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Owner Information

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Name TRIAD PESCURCES INC

Lienhoider Information

Name PECPLES BANK NA

Property/I av Information		Fee Informacion		
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Purchase Pince	\$109 822.00	Lieu Feer	\$5 60	
Trace-m Amount	\$ 00	Total Fees	\$10.00	
Taxable Amount	\$169,872.00			
Sales Tex:	\$11 887 54			
Sales Tay Credit.	\$ 00			
Vender Discount.	\$ 00			
Total Tax:	\$11,887.54			

Payment Information			Total Das	\$11 897 >4
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JCB

Southern District of Ohio Claims Register

2 08-bk-62733 Triad Resources, Inc

Judge: C Kathryn Preston Chapter: 11

Office: Columbus Last Date to file claims: 05/25/2009

Trustee: Last Date to file (Govt):

Creditor (12307617) PEOPLES BANK NA TBEISEN BROCK LP JAMES S HUGGINS 424 2ND ST MARIETTA OH 45750	Claim No 192 Original Filed Date 05/19/2009 Original Entered Date 05/19/2009	Status Filed by CR Entered by Huggins, James Modified				
Secured claimed \$71706 90 Total claimed: \$71706.90						
History						
Details 192-1 05/19/2009 Claim #192 filed by PEOPLES BANK NA, total amount claimed \$71706 9 (Huggins, James)						
Description						
Remarks						

Claims Register Summary