



DONELAN CLEARY  
WOOD & MASER, P.C.

RECORDATION NO. *22366 and 22366A* FILED

AUG 27 '99

2-30 PM

August 27 1999

New Recordation No. and -A

*22366*

Dear Mr. Williams:

On behalf of Associates Leasing, Inc., I submit for filing and recording under 49 U.S.C. §11301(a) and the regulations applicable thereunder, executed counterparts of a primary document and a secondary document, neither previously recorded, both entered into August 19, 1999.

The primary document is entitled Sublease Agreement ("Sublease") and the parties are:

Conrad Yelvington Distributors, Inc. - SUBLESSOR  
P.O. Box 1686  
Daytona Beach, FL 32115

Third Coast Distributors, Inc. - SUBLESSEE  
7065 Shield Drive  
Holly, MI 48442

The said Sublease, among other things, is the leasing by the Sublessor to the Sublessee of one (1) locomotive.

The equipment covered by the instant Sublease is as identified therein, namely one locomotive currently identified as CYDX 710, formerly AN 710.

A short summary of the Sublease to appear in the Surface Transportation Board Index is as follows:

"Covers one locomotive, as listed in the Sublease Agreement."

The secondary document is entitled Assignment of Sublease and Bill of Sale to Equipment ("Assignment") and the parties are:

Conrad Yelvington Distributors, Inc. - ASSIGNOR  
P.O. Box 1686  
Daytona Beach, FL 32115

Associates Leasing, Inc. - ASSIGNEE  
Suite 210  
1900 Summit Tower Blvd.  
Orlando, FL 32810

The said Assignment, among other things, is the assignment of a security interest in the Sublease by the Assignor to the Assignee.

The equipment involved in the Assignment is the one locomotive mentioned above.

ATTORNEYS AND COUNSELORS AT LAW

1100 New York Avenue, N.W., Suite 750, Washington, D.C. 20005-3934, Tel: 202-371-9500, Fax: 202-371-0900

*conrad yelvington distributors*

A short summary of the Assignment to appear in the Surface Transportation Board Index is as follows:

“Assignment of security interest in above Sublease Agreement.”

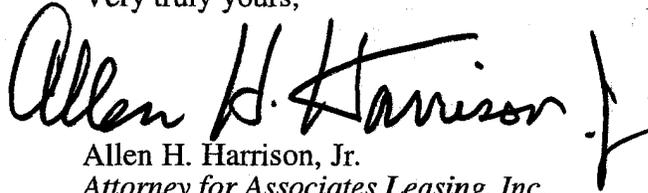
Please index separately in the assignee side (“white pages”) of the STB Index the name of the assignee, Associates Leasing, Inc., saying “See Recordation No. 22 366-A.”

Please enter under this filing “See Recordation No. 22 365.”

Enclosed is a check in the amount of seventy eight dollars, twenty-six dollars in payment of the above requested indexing and fifty two dollars in payment of the filing fees.

Once the filings have been made, please return to bearer the stamped counterpart(s) of the documents not required for filing purposes, together with the letter/fee receipt from the Surface Transportation Board acknowledging the filings, and the two extra copies of this letter of transmittal.

Very truly yours,



Allen H. Harrison, Jr.  
*Attorney for Associates Leasing, Inc.*  
*For the purpose of this filing.*

Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Enclosures

By Hand

8205-020



**ASSIGNMENT OF <sup>Sublease</sup>  
AND  
BILL OF SALE TO EQUIPMENT**

RECORDATION NO. 22366-A FILED

AUG 27 '99

2-30 PM

**LEASE AND EQUIPMENT INFORMATION**

<b>Sublessee:</b> Third Coast Distributors, Inc.  <b>Address:</b> 7065 Shield Drive Holly MI 48442  <b>Equipment:</b> One (1) Electro-Motive Model SW-9 Diesel Locomotive Old/Original No. AN 710 with New/Current No. CYDX 710	<b>Date of Sublease:</b> 8/19/99	<b>Delivery Date:</b>
	<b>Guarantor(s):</b>	<b>Date of Guaranty:</b>
<b>Monthly Rental:</b> 2,005.00		

1. **Definitions.** Whenever used in this Assignment of Lease and Bill of Sale to Equipment (this "Assignment"), the following terms will have the following meanings
- (a) "Assignor" will mean and refer to the undersigned;
  - (b) "Assignee" will mean and refer to Associates Leasing, Inc. and its successors and assigns;
  - (c) "Lessee" will mean and refer to the ~~Lessee~~ <sup>Sublessee</sup> identified above whose principal place of business is located at the address indicated above;
  - (d) "Equipment" will mean and refer to the equipment described above, together with all attachments, accessories, replacement parts, repairs and additions thereto, and all cash and non-cash proceeds thereof;
  - (e) "Lease" will mean and refer to the ~~Lease~~ <sup>Sublease</sup> agreement described above entered into between Assignor and Lessee with respect to the Equipment;
  - (f) "Documents" will mean and refer to the Lease and any schedules, guaranties, security agreements or other documents, instruments or certificates executed or delivered in connection with the Lease;
  - (g) "Revenues" will mean and refer to all rental payments and any other amounts payable under the Documents, all deposits or advance rentals made under the Documents, and all other amounts (whether payable under any purchase or renewal option or otherwise) due or to become due under the Documents; and
  - (h) "Stipulated Loss Value" will mean an amount equal to the total of all accrued and unpaid Rental Payments and all other amounts then due and remaining unpaid under the Lease plus the greater of (1) the then Fair Market Value (as determined in accordance with Paragraph 12 of the Lease) of the Equipment as of that date in the same condition as when received by Lessee, reasonable wear and tear from the normal use thereof alone excepted, as well as in the condition required upon its return determined in accordance with Paragraph 21 of the Lease, or (2) an amount equal to all accrued and unpaid Rental Payments and all other amount due and remaining unpaid plus the then present worth of all unaccrued Rental Payments plus either the Purchase Option Price as set forth in the Lease or if no purchase option is offered, the Fair Market Value (as determined in accordance with Paragraph 12 of this Lease) of the Equipment in the same condition as when received by Lessee, reasonable wear and tear from the normal use thereof alone excepted, as well as in the condition required upon its return determined in accordance with Paragraph 21 of the Lease. Present worth shall be determined by discounting such unaccrued Rental Payments from their respective due dates at the rate of 0.00%. Notwithstanding the foregoing, in the event that the Lessee and Assignor have executed a Stipulated Loss Value Table with respect to the Lease, the Stipulated Loss Value as of any date will be the amount indicated on that table plus any accrued and unpaid Rentals or other amounts payable under the Lease as of that date.

Page 1 of 3 of Assignment of <sup>Sublease</sup> dated 8/19/99 between Third Coast Distributors, Inc. (Lessee) and Conrad Yelvington Distributors, Inc. (Lessor) which includes, without limitation, an item of Equipment with the following serial number \_\_\_\_\_.

2. **Assignment and Bill of Sale.** For Value Received, Assignor hereby sells, assigns and transfers to Assignee all of Assignor's right, title and interest in and to the Documents, the Revenues, the Equipment, and all of Assignor's rights and remedies under or in connection with the Documents, including the right, without notice to Assignor and without affecting Assignor's obligations to Assignee hereunder: (a) to collect and retain any and all Revenues, (b) to endorse Assignor's name on any remittance received, (c) to release, substitute or discharge Lessee or any other persons obligated under the Documents, on terms satisfactory to Assignee, by operation of law or otherwise, (d) to settle, compromise or adjust any and all rights against and to grant extensions of time of payment to Lessee or any other persons obligated under the Documents, and (e) to take any other action Assignor might take but for this Assignment. From this date forward, Assignor will have no authority to, and will not, without Assignee's prior written consent, accept collections, repossess, substitute or consent to the return of the Collateral, or modify the terms of the Documents. Assignor agrees: (a) that Assignee may from time to time audit its books and records relating to the Documents; (b) to promptly forward to Assignee copies of all notices sent or received by Assignor concerning the Documents, Revenues or Equipment; (c) to deliver to Assignee all original copies of the Documents except Lessee's copy; and (d) to perform such further acts as are necessary or desirable in Assignee's reasonable judgment to obtain the full benefits hereunder. **Assignee does not assume any obligations under any of the Documents and Assignor agrees that this Assignment will not relieve Assignor of any of its obligations under any of the Documents.**
3. **Assignor's Warranties.** Assignor represents and warrants to Assignee that: At the time of the execution of this Assignment, Assignor was the owner of the Equipment, Documents and Revenues subject only to the interests of the Lessee in the Equipment under the terms of the Lease; no party, other than Assignee and Lessee, will have any interest in the Equipment and this Assignment conveys the Equipment, Documents and Revenues to Assignee free and clear of all liens, encumbrances or other interests of whatever kind in favor of any third party whatsoever; Assignor will forever defend Assignee's title in and to the Equipment, Documents and Revenues against any and all persons whatsoever; the Documents are genuine, enforceable and in all respects what they purport to be; all signatures, names, addresses, amounts and other statements and facts contained in the Documents and herein are true and correct; all parties to the Documents have the capacity to contract and none of such parties is a minor; Assignor is the lessor under the Lease, the Lease is the only lease covering the Equipment and is the entire agreement between Assignor and Lessee; all originals of the Documents other than Lessee's copy have been or will be delivered to Assignee; Assignor will comply with all its warranties and other obligations under the Lease; the Documents are and will continue to be free from defenses, counter-claims, cross-claims and set-offs, and are in compliance with all applicable laws and regulations; the Equipment has retained and will retain its character as personal property; there are no termination, purchase or renewal options or rights of third parties in or to the Documents or Equipment except as stated therein; there has been no prepayment of rental or other monies owing under the Documents except as stated in the Lease and such amount has been paid by Lessee in cash or as otherwise set forth in the Lease, and no part thereof was loaned directly or indirectly by Assignor; the Equipment was delivered in satisfactory condition to Lessee on the date set forth below, was properly installed if required, and was unconditionally accepted by Lessee; neither Assignor nor Lessee is in default under the Lease and Assignor has no knowledge of the occurrence of any event which, with the passage of time or the giving of notice, would constitute a default under the Lease; the security interest or reservation of title evidenced by the Lease is and, after assignment, will continue to be valid, first, prior to all others and effective against all persons; Assignor has caused or will promptly cause such actions or procedures to be taken as are required or permitted by statute or regulation to perfect such security interest or reservation of title in Assignee's favor, including, without limitation, filing financing statements, recording documents and obtaining Certificates of Title disclosing Assignee's interest; Assignor has taken all necessary corporate action which may be required to authorize the acts called for herein; and this Assignment is not in violation of any indenture, loan agreement or other agreement to which Assignor is a party or by which it may be bound. **Assignor acknowledges that Assignee will be relying upon the foregoing warranties and that the knowledge of Assignee of any breach of any such warranty will not impair or constitute any waiver of any such warranty or of any of Assignor's obligations with respect thereto.** Assignee will have no obligation to notify Assignor of any breach of any such warranty that may come to its attention or to undertake or continue to undertake any cure or remedy of any defect in the Documents. Assignor will continue liable hereunder notwithstanding Assignee's waiver of or failure to enforce any of the terms, covenants or conditions contained in the Documents or any release of, or failure on the part of Assignee to realize upon or protect the Equipment or any interest therein.
4. **Remedy Upon Breach.** If any of the foregoing warranties are untrue, or if Assignor breaches any provision hereof, or if Assignor becomes insolvent or makes an assignment for the benefit of creditors, or if a petition for a receiver or in bankruptcy is filed by or against Assignor, then, in any such event, Assignor will, without requiring Assignee to tender the Documents or the Equipment or to proceed against Lessee or any other person or any security, repurchase the Documents and the Equipment on demand and pay Assignee in cash an amount equal to the Stipulated Loss Value as of the date of payment thereof plus all other amounts owed to Assignee under the Documents (whether as accrued and unpaid rentals or otherwise) plus any expenses of collection, repossession, transportation and storage (including reasonable attorneys' fees and court costs) (the "Repurchase Price") incurred by Assignee with respect to the Equipment or Documents

5. **Reserve and Security Interest.** This Assignment constitutes an absolute sale and assignment of the Equipment, Documents and Revenues from Assignor to Assignee. If Assignor is deemed to have retained an interest of any kind in the Equipment, Documents or Revenues, or to the extent that any Court deems Assignor to have an interest of any kind in any of them, Assignor hereby grants to Assignee a security interest in the Equipment, Documents and Revenues to secure all obligations of Assignor to Assignee whether arising under this Assignment or otherwise. Unless otherwise agreed under the provisions of any applicable underlying agreement, any portion of the purchase price payable by Assignor to Assignee in conjunction with this Assignment which is retained by Assignee as a reserve or holdback will be held by Assignee as security for but not in lieu of the performance of Assignor's obligations under this or any other agreement with Assignee or any affiliate of Assignee and Lessee's obligations under the Lease, and will be paid to Assignor without interest when all direct and all contingent obligations of Assignor, whether hereunder or under any other agreement with Assignee or any affiliate of Assignee, and Lessee's obligations under the Lease, have been satisfied. In the event of any default by Assignor in the performance of any such obligations, Assignee may apply any reserve, holdback, account or property in Assignee's possession toward satisfaction of such obligations. If the Lease is terminated prior to its full term and the stipulated loss value paid or payable under the Lease by Lessee is less than the Stipulated Loss Value calculated in accordance with this Assignment, Assignor will pay to Assignee upon demand the difference between the amount paid or payable by Lessee and the Stipulated Loss Value of the Equipment.
6. **Additional Provisions.** Time is of the essence. If Assignor fails to pay Assignee any amount payable hereunder, Assignee will have all of the rights and remedies of a secured party under the Uniform Commercial Code and any other applicable laws. Until payment therefor, Assignee may (but will not be obligated to) continue to liquidate the Documents and the Equipment, and Assignor will continue to remain liable for any deficiencies. Assignor agrees to pay all expenses incurred by Assignee in enforcing its rights hereunder, including the reasonable fees of any attorneys retained by Assignee. Unless otherwise provided by law, any requirement of reasonable notice which Assignee may be obligated to give regarding the sale or other disposition of the Equipment or Documents will be met if such notice is mailed to Assignor at its address shown in the Lease, or such other address as Assignor will designate to Assignee from time to time in writing, at least five days before the time of sale or other disposition. Waiver of any default will not be a waiver of any other default. All of Assignee's rights are cumulative and not alternative. No waiver or change in this agreement will bind Assignee unless in writing and signed for Assignee by one of its officers. Assignor waives notice of acceptance of this Assignment, presentment and demand for payment, protest and notice of nonpayment, and subordinates all rights Assignor may now or hereafter have against Lessee, the Equipment, Documents or Revenues to any rights Assignee may now or hereafter have.

ANY REASSIGNMENT OR RESALE OF THE DOCUMENTS OR THE EQUIPMENT BY ASSIGNEE, WHETHER HEREUNDER OR UNDER ANY OTHER AGREEMENT, WILL BE WITHOUT RECOURSE OR WARRANTY OF ANY KIND OR NATURE, EXPRESS OR IMPLIED. ASSIGNOR AGREES AND ACKNOWLEDGES THAT ASSIGNEE WILL HAVE NO LIABILITY TO ASSIGNOR FOR FAILURE ON THE PART OF LESSEE TO COMPLY WITH ANY PROVISION CONTAINED IN THE LEASE RELATING TO THE CONDITION OF THE EQUIPMENT UPON ITS RETURN OR THE EXCESS USAGE OF THE EQUIPMENT BY LESSEE. NO SUCH FAILURE ON THE PART OF LESSEE NOR ANY FAILURE BY ASSIGNEE TO REQUIRE COMPLIANCE WILL RELIEVE ASSIGNOR OF ANY OF ASSIGNOR'S OBLIGATIONS UNDER THE TERMS OF THIS ASSIGNMENT.

The Equipment was delivered to and unconditionally accepted by Lessee on the date indicated above.

Dated: 8/15/99

ASSIGNOR: Conrad Yelvington Distributors, Inc.

By: *Andrew M. Yelvington*  
 Title: TREAS.

**ASSIGNMENT AFFIDAVIT OF EXECUTION AND DELIVERY**

**State of Florida**

**County of** Volusia

**BEFORE ME**, this day personally appeared Ronald F. Morrison ("Assignee Agent"), a duly authorized agent of Associates Leasing, Inc. ("Associates") who is personally known to me or who has produced a Florida driver's license as identification;

**BEFORE ME**, this day personally appeared Susan M. Yelvington ("Assignor Agent"), a duly authorized agent of Conrad Yelvington Distributors, Inc. ("Yelvington") who is personally known to me or who has produced a Florida driver's license as identification;

With respect to the Assignment of Lease and Bill of Sale to Equipment ("Assignment") both the Assignor Agent and the Assignee Agent, who being by me first duly sworn, under oath depose and say:

1. On August , 1999, on behalf of Associates, Assignee Agent consented to the Assignment agreement dated as of August , 1999 by and between Associates Leasing, Inc., as Assignee, and Conrad Yelvington Distributors, Inc., as Assignor, by executing that certain Assignment agreement in the State of Florida.

2. On August , 1999, on behalf of Yelvington, Assignor Agent consented to the Assignment agreement dated as of August , 1999 by and between Conrad Yelvington Distributors, Inc., as Assignor, and Associates Leasing, Inc., as Assignee, by executing that certain Assignment agreement in the State of Florida.

FURTHER AFFIANTS SAYETH NOT:

Dated August / 9, 1999

**ASSIGNOR AGENT:**  
CONRAD YELVINGTON  
DISTRIBUTORS, INC.

**ASSIGNEE AGENT:**  
ASSOCIATES LEASING, INC.

By: Susan M. Yelvington

By: R. F. Morrison

Its: Treasurer

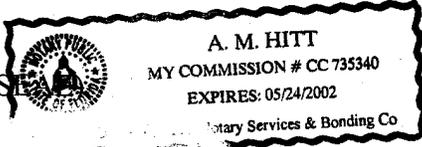
Its: Vice President

SWORN TO AND SUBSCRIBED BEFORE ME THIS 26<sup>th</sup> day of August, 1999.

A. M. Hitt  
(Notary Public)

A. M. Hitt  
(printed name)

(AFFIX NOTARIAL SEAL)



Commission No. \_\_\_\_\_

My Commission Expires: \_\_\_\_\_