

Counterparts - JAL

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

ALVORD AND ALVORD
ATTORNEYS AT LAW
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19378
APR 28 1995 12:57 PM

OF COUNSEL
URBAN A. LESTER

April 28, 1995

Mr. Vernon A. Williams
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two (2) copies of a Master Equipment Lease Agreement, dated as of April 21, 1995, a primary document as defined in the Commission's Rules for the Recordation of Documents under 49 C.F.R. Section 1177.

The names and addresses of the parties to the enclosed document are:

Lessor: National Banc Leasing Corporation
2300 Northlake Centre Drive, Suite 300
Tucker, Georgia 30084

Lessee: Grace Trust
302 Third Street, Suite 3
Neptune Beach, Florida 32266

A description of the railroad equipment covered by the enclosed document is:

21 railcars MMMX 001 through MMMX 020, inclusive and MMMX 140

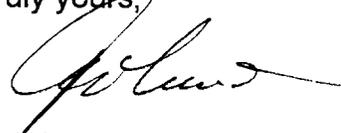
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LIBRARY

Mr. Vernon A. Williams
April 28, 1995
Page 2

Also enclosed is a check in the amount of \$21.00 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return one stamped copy of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in cursive script, appearing to read "R. Alvord", written in dark ink.

Robert W. Alvord

RWA/bg
Enclosures



Interstate Commerce Commission
Washington, D.C. 20423-0001

4/28/95

Office Of The Secretary

Robert W. Alvord
Alvord And Alvord
918 Sixteenth St., NW., Ste. 200
Washington, DC., 20006-2973

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 4/28/95 at 1:00PM, and assigned recordation number(s) 19378 and 19379.

Sincerely yours,

Vernon A. Williams
Secretary

Enclosure(s)

\$ 42.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature

NationsBanc Leasing Corporation ("Lessor"), of 2300 Northlake Centre Drive, Suite 300, Tucker GA 30084, and Grace Trust ("Lessee"), an irrevocable trust established under the laws of the State of Florida, of 302 Third Street, Suite 3, Neptune Beach, FL 32266 hereby agree as follows, as of the twenty-first (21st) day of April, 1995.

1. Lease Agreement. Subject to the terms and conditions hereinafter set forth, Lessor shall lease to Lessee, and Lessee shall hire from Lessor, the units of personal property (collectively, the "Equipment") described in one or more equipment schedules (each a "Schedule") that incorporate by reference this Master Equipment Lease Agreement (the "Lease"). Each Schedule shall constitute a separate and independent lease and contractual obligation of Lessee. Until a Schedule is duly signed and delivered by Lessor, a Schedule signed and delivered by Lessee constitutes an irrevocable offer by Lessee to lease the Equipment described in such Schedule from Lessor.

2. Term, Rentals and Deposit. The term of this Lease and the rental payable hereunder with respect to the Equipment shall be the period and the amount stated after the description of the Equipment in the Schedule describing same. The rental shall be payable in advance on the first day of the payment period or as otherwise stated in said Schedule. At the time of the payment of the first rental hereunder, Lessee will deposit with Lessor such additional sum, if any, specified in the Schedule as security for the payment and performance of any obligation of Lessee hereunder. Such deposit shall be applicable at Lessor's option but shall not relieve Lessee of the payment or performance of all of its obligations hereunder. The deposit, or any remainder thereof, shall be returned to Lessee upon Lessee's performance of all of its obligations under this Lease and all Schedules.

3. Location and Use of Equipment. Each item of the Equipment shall at all times be and remain in the possession and control of Lessee, or any sublessee allowed pursuant to Section 12 hereof, at the address stated in the Schedule covering such item or at such other location (or locations), within the continental United States, as Lessee, or any sublessee allowed pursuant to Section 12 hereof, may deem necessary in the ordinary course of its business. Lessee will use, operate and maintain the Equipment in compliance with all conditions of insurance policies required to be maintained, with all statutes, ordinances and regulations relating thereto, and all standards of any national organization applicable to the use, maintenance, or interchange (if applicable) of the Equipment, and shall at Lessee's own expense make such alterations to the Equipment as are from time to time required for such compliance.

Lessee, or any sublessee allowed pursuant to Section 12 hereof, at its own expense, shall keep the Equipment in good condition and working order, including replacing or substituting parts, improvements or additions to the Equipment where necessary. Without reasonable notice to Lessor, the function of the Equipment, as of the date of the commencement of the lease term with respect to such Equipment, will not be impaired through modifications, alterations or other method. Lessee, or any sublessee allowed pursuant to Section 12 hereof) shall observe the recommendations of the manufacturer of the Equipment regarding preventive maintenance and repair, and shall use replacement parts at least equal in quality and function to the parts originally furnished with the Equipment. Any replacement or substitution of parts, improvements or additions to the Equipment made by Lessee shall become and remain the property of Lessor and shall be free of any liens or encumbrances except those created by this Lease.

Lessee shall affix and maintain on each side of each item of Equipment, (i) the reporting marks assigned to Lessee by the Association of American Railroads; (ii) the identification number set forth in the Schedule covering such item of Equipment; and (iii) such other markings as from time to time are required by law or deemed necessary or appropriate by Lessor to protect Lessor's ownership interest in and to the Equipment. Lessee shall keep the Equipment free from all liens, encumbrances and charges, and shall not encumber its rights hereunder or under any Schedule.

Lessee shall use the Equipment only for the service and in the manner for which it was designed, and shall not use the Equipment for the transportation of corrosive or radioactive materials, or other materials that might cause damage to the Equipment that could not be practically repaired or would not be covered fully by insurance required or obtained pursuant to this Lease.

4. Expenses, Fees and Taxes. In addition to the rental stated as being payable hereunder and as additional rent, Lessee shall pay promptly when billed, all costs, expenses, fees, charges and taxes incurred in connection with the use, ownership and operation of the Equipment during the term hereof, including but not limited to federal, state, county and municipal fees and taxes, ad valorem, sales, use, excise, stamp and documentary taxes (other than federal and state income taxes imposed upon or measured by the net income of Lessor). Where required under appropriate laws and regulations Lessor shall pay such costs, expenses, fees, charges or taxes and Lessee shall reimburse Lessor upon demand, as additional rent, the amount of any such costs, expenses, fees, charges or taxes.

5. Loss or Damage of Equipment. All risk of loss, theft, destruction and damage of the Equipment, from whatever cause, is assumed by Lessee.

6. Insurance. Lessee shall carry and maintain, or cause to be carried and maintained, public liability and property damage insurance insuring Lessor and Lessee as their interest may appear against liability for death, bodily injury and physical damage resulting from ownership, maintenance, use or operation of the Equipment. All such insurance shall name Lessor and Lessee as insured, shall be in an amount not less than one million dollars (\$1,000,000.00) and with insurers acceptable to Lessor, and shall provide that the same may not be altered or canceled except after thirty (30) days prior written notice to Lessor. If any loss paid by insurance be paid by check or draft payable to Lessor and Lessee jointly, Lessor may endorse Lessee's name thereon. Lessee shall deliver, or cause to be delivered, to Lessor, prior to the beginning of the lease term with respect to any Equipment, or prior to the effective date of any cancellation or expiration of such insurance, as the case may be, the insurance policy, a certificate or other evidence, satisfactory to Lessor, of the maintenance of such insurance. The interests of Lessor in the policy covered by any such certificate will not be invalidated by any action or inaction of Lessee and will insure Lessor regardless of any breach or violation of any warranty, declaration or condition contained in such policy by Lessee. Lessor shall be under no duty to examine such policies, certificates or other evidences of insurance, or to advise Lessee in the event that its insurance is not in compliance with this Lease.

7. Lessee's General Indemnities. Lessee shall indemnify Lessor against all claims, liabilities, losses and expenses whatsoever, including reasonable attorneys' fees and costs (except those directly and primarily caused by Lessor's gross negligence or willful misconduct), in any way relating to or arising out of the Equipment or any part thereof, or the ordering, acquisition, rejection, installation, possession, maintenance, use, ownership, condition, destruction, return, or disposition of the Equipment or any part thereof, including negligence and strict liability in tort, and including any infringement claim. Lessee's obligations under this provision shall survive any partial or total termination, expiration, or cancellation of this Lease.

8. Delivery and Acceptance and Return of Equipment. Upon delivery to and acceptance by Lessee of the Equipment, Lessee shall execute and deliver a Schedule relating to such Equipment, and acknowledging acceptance thereof. Acceptance of delivery and execution of such Schedule shall constitute Lessee's acknowledgment that such Equipment is in good operating order, repair, condition and appearance, is of the manufacture, design and capacity selected by Lessee, and is suitable for the purposes for which leased. At the expiration or earlier termination of the lease term with respect to any item of Equipment, Lessee shall, at Lessee's sole risk and expense: (i) assemble and deliver such item of Equipment to any facility of Lessee selected by Lessor in Lessor's sole discretion and there store

such item of Equipment for a period not to exceed one hundred eighty (180) days from and after such expiration or earlier termination of the lease term; (ii) deliver to Lessor, all manuals, logs, and maintenance records for such item of Equipment; and (iii) deliver such item of Equipment to Lessor at a carrier, selected by Lessor in Lessor's sole discretion, for shipment pursuant to Lessor's instructions.

All Equipment delivered to Lessor pursuant to this Section 8 shall be so delivered at Lessee's expense and in the same operating order, repair, condition and appearance as when received, excepting only ordinary wear and tear, and damage by any cause covered by collectible insurance. If any item of Equipment not delivered on or before the date and/or in the condition as required in this Section 8, Lessee shall pay to Lessor daily rent for each day from the expiration or earlier termination of the lease term with respect to such item of Equipment to the date of such delivery or restored by Lessee to the condition required in this Section 8. The daily rent shall be the greater of (i) the daily equivalent of the Base Rent set forth in the Schedule for such item of Equipment, or (ii) the fair market rental value of such item of Equipment.

9. Option to Purchase. Notwithstanding any provisions of Paragraph 8, at the end of the original lease term, or within fifteen (15) days thereafter, providing all rental herein specified shall have been fully complied with, and Lessee has performed all its other obligations under the Lease, Lessee shall have the option to purchase the Equipment in its then condition, **"as is and where is"** without warranties or representations of any kind, express or implied, including any warranty of merchantability, condition or suitability or fitness of any of the Equipment for a particular purpose, for the sum as set forth in the Schedule describing the Equipment in addition to the sums paid by the Lessee for rental. The purchase price of the Equipment shall be payable in immediately available funds at the time of exercising such option. In the event Lessee shall fail to exercise the option to purchase, Lessee shall not on any account whatsoever be entitled to any allowance, credit, refund or setoff of payments previously made or due hereunder and Lessor may retain all payments as rentals for the use of said Equipment and for loss and depreciation thereof. If the option to purchase is not exercised, Lessee shall return said Equipment to Lessor at Lessor's address as set forth above, pursuant to Paragraph 8.

10. Early Termination With Respect to Certain Equipment. At any time after the beginning of the lease term with respect to the Equipment covered by any Schedule and provided that no Event of Default shall have occurred and be continuing, Lessee shall have the option, exercisable at its own discretion, to terminate the term of the Lease with respect to all Equipment covered by any Schedule by purchasing said Equipment "as is and where is" without warranties or representations of any kind, express or implied, including any warranty of merchantability, condition or suitability or fitness of any of the Equipment for a particular purpose, for a purchase price equivalent to Lessor's then unamortized lease investment in the Equipment plus an early termination charge equivalent to (i) three percent (3%) of Lessor's then unamortized lease investment, if such early termination occurs on or prior to the first anniversary of the commencement of the lease term with respect to the Equipment; (ii) thereafter, two percent (2%) of Lessor's then unamortized lease investment, if such early termination occurs on or prior to the second anniversary of the commencement of the lease term with respect to the Equipment; (iii) thereafter, one percent (1%) of Lessor's then unamortized lease investment, if such early termination occurs on or prior to the third anniversary of the commencement of the lease term with respect to the Equipment; or (iv) thereafter, there shall be no such termination charge. The purchase price of such Equipment and the early termination charge shall be payable in immediately available funds at the time of exercising such option.

11. Assignment of Warranties and Limitation of Responsibility. Lessor hereby assigns to Lessee to the extent allowable by law for and during the term of the Lease with respect to any Equipment, the warranties, if any, of the manufacturer issued on such Equipment, and hereby authorizes Lessee to obtain the customary service furnished by the manufacturer in connection therewith, at Lessee's expense. Lessor is not a manufacturer or engaged in the sale or distribution of the Equipment, and has not made and does not hereby make any representation as to merchantability, condition or suitability of any of the Equipment for the purposes of Lessee or any other representation with respect thereto. Lessor shall not be liable to the Lessee for any loss, claim, demand, liability, cost, damage or expense of any kind caused, or alleged to be caused, directly or indirectly, by the Equipment, or by an inadequacy thereof for any purpose, or by any defect therein or the use or maintenance thereof, or any repairs, servicing or adjustments thereto, or any delay in providing or failure to provide the same, or any interruption or loss of service or use thereof, or any loss of business, profits, consequential or other damage of any nature. Lessee agrees that its obligations hereunder to pay the rental herein provided for shall not in any way be affected by any defect or failure of performance of the Equipment.

12. Permission to Sublease Equipment. Notwithstanding the terms of this Lease to the contrary, Lessee in its ordinary course of business, may lease the Equipment covered by this Lease to Minnesota Mining and Manufacturing Company provided, however, that such leasing shall in no way relieve Lessee of any of its obligations hereunder, it being specifically understood that Lessee's obligations under this Lease and in accordance with its terms shall at all times remain primary, direct and unconditional. In the event the Equipment is at any time subject to a lease as permitted under this Section, to secure the prompt and full payment or performance of any and all of its obligations hereunder, Lessee hereby assigns to Lessor and grants to Lessor a continuing general security interest in all of Lessee's right, title and interest in and to any and all lease agreements now or hereafter entered into by Lessee covering the lease of the Equipment together with the benefits, rights and remedies thereunder, including without limitation all rentals and other monies now or hereafter due or to become due pursuant to said lease agreements, subject to the following:

- (a) only that portion of the lease rentals with respect to the Equipment that is equal to the repayment installments due hereunder with respect to said Equipment shall be subject to this assignment of lease rentals; and
- (b) Lessor shall have none of Lessee's obligations under any lease; and
- (c) all of Lessee's right, title and interest assigned with respect to any lease may be reassigned by Lessor and any subsequent assignee, but only in conjunction with an assignment of this Lease. It is expressly agreed that, anything herein contained to the contrary notwithstanding, Lessee's obligation under any lease may be performed by Lessor or any subsequent assignee without releasing Lessee therefrom, and Lessor shall not, by reason of any assignment, be obligated to perform any of Lessee's obligations under any lease or to file any claim or take any other action to collect or enforce any payment assigned thereunder.

Lessee agrees and covenants that none of said leases shall be amended, revised or altered in such a manner so as to materially affect the rights of Lessor. If an event of default or other event which with the giving of notice or lapse of time or both would become such event of default shall have occurred and be continuing, then no lease shall be rescinded or canceled without first notifying Lessor. Lessee represents and warrants that said leases are or will be, valid and subsisting between the parties thereto, that the Equipment covered by said leases shall have been, or shall be, delivered to and accepted by the lessee named in each lease, that it has not and shall not otherwise transfer, assign or pledge said leases or any interest therein or thereunder, and that it has no knowledge of any facts which might impair or affect the validity of said leases. In order to protect Lessor's security interest in any lease granted, Lessee shall stamp or otherwise write in clear print on the front page of such lease, notice that the lease is subject to a security interest held by NationsBanc Leasing Corporation. Lessee shall take such action as Lessor may from time to time reasonably request to initiate or maintain or protect the security interest in any lease granted or to be granted pursuant to this paragraph.

Lessee hereby constitutes Lessor, its successors and assigns, Lessee's true and lawful attorney, irrevocably, with full power (in Lessee's name or otherwise) to ask, require, demand, receive, compound and give acquittance for any and all rents and claims for money due and to become due under, or arising out of any lease to endorse any checks or other instruments or orders in connection therewith and to file any claims or

take any action or institute any proceedings which to Lessor or any subsequent assignee seem necessary or advisable, all without affecting Lessee's liability in any manner whatsoever.

13. Events of Default. Lessee shall be in default under this Lease upon the happening of any of the following events or conditions (each an "Event of Default"): (a) nonpayment when due of any installment of rent or other sum owing by Lessee hereunder, under any Schedule or under any other Agreement between Lessor and Lessee if such nonpayment continues for ten (10) days; (b) Lessee's failure to perform and comply with any other covenant or obligation hereunder or under any Schedule if such failure continues for ten (10) days after written notice thereof by Lessor to Lessee; (c) Lessee's attempt to sell, lease or encumber any item of the Equipment without Lessor's prior written consent, or the attachment of any lien or security interest to any such item in favor of anyone other than Lessor, or any attempted levy, seizure or attachment on such item; (d) any representation or warranty made by Lessee to Lessor hereunder or under any schedule, certificate, agreement, instrument or other statement, including income and financial statements, proves to have been incorrect in any material respect when made; (e) the merger, consolidation, reorganization or dissolution of, or transfer of a controlling stock interest in Lessee or the suspension of Lessee's present business; (f) Lessee's general assignment for the benefit of creditors or commencement of any voluntary case or proceeding for relief under the Bankruptcy Code, or any other present or future law for the relief of debtors, including proceedings under the Bankruptcy Code, or the taking of any action to authorize or implement any of the foregoing; (g) the filing of any petition or application against Lessee under any present or future law for the relief of debtors, including proceedings under the Bankruptcy Code, or for the subjecting of property of Debtor to the control of any court, receiver or agency for the benefit of creditors if such petition or application is consented to by Lessee or not dismissed within sixty (60) days from the date of filing; (h) a default exists under any other agreement or instrument of Lessee's with or in favor of Lessor or any direct or indirect affiliate of Lessor; (i) the attempted repudiation of any guaranties for obligations of Lessee to Lessor; (j) the Pension Benefit Guaranty Corporation's commencement of proceedings under Section 4042 of the Employee Retirement Income Security Act of 1974 to terminate any employee pension benefit plan of Lessee; or (k) the occurrence of any event described in clauses (g) or (h) of this Section with respect to any guarantor or the person liable for payment or performance of Lessee's obligations under this Lease.

14. Remedies of Lessor. Upon the occurrence of any Event of Default and at any time thereafter, Lessor may without any further notice exercise one or more of the following remedies, as Lessor in its sole discretion shall elect: (a) declare all unpaid rentals under this Lease to be immediately due and payable; (b) cancel this Lease as to any or all items of the Equipment; (c) take possession of the Equipment wherever found, and for this purpose enter upon any premises of Lessee (Lessee hereby authorizes and empowers Lessor and its agents to enter upon such premises wherever the Equipment may be found) and remove the Equipment, without any liability for suit, action or other proceeding by the Lessee and remove the same; (d) cause Lessee at its expense to promptly return the Equipment to Lessor at any location in the continental United States specified by Lessor and in the condition set forth above; (e) use, hold or otherwise dispose of the Equipment or any item thereof on the premises of Lessee or any other location without affecting the obligations of Lessee as provided in this Lease; (f) sell or lease the Equipment or any part thereof, at public auction or by private sale or lease at such time or times and upon such terms as Lessor may determine, free and clear of any rights of Lessee and, if notice thereof is required by law, any notice in writing of any such sale or lease by Lessor to Lessee not less than ten (10) days prior to the date thereof, shall constitute reasonable notice thereof to Lessee; (g) proceed by appropriate action either by law or in equity to enforce performance by Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; (h) exercise any and all rights accruing to a lessor under any applicable law upon a default by a lessee; (i) recover from Lessee the amount of payments immediately due and payable, if the default shall be for nonpayment of one or more but less than all of the payments called for herein, together with interest and any other sum owing because of default, without cancellation of the Lease or without waiver of the right of future payments to the Lessor under this Lease. In addition, Lessor shall be entitled to recover immediately, as liquidated damages, and not as a penalty, a sum equal to the aggregate of the following: (a) all unpaid rentals or other sums which are due and payable for any items of the Equipment up to the date of redelivery to or repossession by Lessor; (b) any expenses paid or incurred by Lessor in connection with the repossession, holding, repair, modification, upgrade and sale, lease or other disposition of the Equipment, including fifteen percent of all amounts due as attorneys' fees (but not to exceed the amount of attorneys' fees that Lessor actually incurs), and legal expenses; (c) all unpaid rentals due and to become due under this Lease for any item of the Equipment which Lessee fails to return to Lessor as provided above or converts or destroys, or which Lessor is unable to repossess; and (d) an amount equal to any excess of (i) all unpaid rentals for any item of the Equipment returned to or repossessed by Lessor from the date thereof to the end of the respective rental period therefor, discounted to present value at the then prevailing "Prime Rate" (as announced by NationsBank of Georgia, N.A., Atlanta, GA) over (ii) the net proceeds actually received by Lessor, to the extent attributable to Lessee's former leasehold interest, of any sale thereof by Lessor or lease thereof by Lessor, discounted at such rate. None of the remedies under this Lease are intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to herein or otherwise available to Lessor in law or in equity. Any repossession or subsequent sale or lease by Lessor of any item of the Equipment shall not bar an action for a deficiency as herein provided, and the bringing of an action or the entry of judgment against the Lessee shall not bar the Lessor's right to repossess any or all items of the Equipment.

15. Assignment by Lessor. Lessor may assign or transfer, and Lessee hereby consents to the assignment or transfer, of all or any part of any Schedule or Lessor's interest in any Equipment without notice to Lessee. Lessee agrees that the liability of Lessee to any assignee of Lessor, or any subsequent assignee of such assignee, shall be absolute and unconditional and shall not be affected by any default hereunder of Lessor whatsoever or by any breach of any warranty, express or implied, in respect of any Equipment or Schedule. Lessee further agrees that no such assignee shall be required to assume any of the obligations of Lessor under any Schedule except (i) the obligation in respect of the application of any insurance monies received by such assignee, as hereinabove provided, (ii) that the assignee shall be responsible for its own misconduct after the assignment and (iii) that any successor lessor shall be responsible for the Lessor's duties hereunder accruing after any such assignment. Lessee acknowledges that no such assignment shall materially change Lessee's duties hereunder or materially increase any burden or risk imposed on Lessee hereunder.

16. Prohibition of Assignment by Lessee. Lessee shall not assign or in any way dispose of all or any part of its rights or obligations under any Schedule or enter into any sublease (except as specifically provided herein) of all or any part of any Equipment without the prior written consent of Lessor, or otherwise part with possession or control of the Equipment or any part thereof, except to railroad companies for the transportation of goods and commodities in the service of Lessee or to the manufacturer or other maintenance facilities for maintenance, repair, or overhaul, or for modification to the extent permitted under this Lease.

17. Miscellaneous.

- (a) Each Schedule is and is intended to be a lease, and Lessee does not acquire hereby any right, title or interest in or to the Equipment, except the right to use the same under the terms hereof.
- (b) The relationship between Lessor and Lessee shall always and only be that of Lessor and Lessee. Lessee shall never at any time during the term of this Lease for any purpose whatsoever be or become the agent of Lessor, and Lessor shall not be responsible for the acts or omissions of Lessee, or its agents.
- (c) Time is of the essence hereof.
- (d) Lessee shall file and record this Lease, and any assignments hereof and amendments hereto pursuant to Section 11303 of Title 49 of the United States Code, and shall executed and file such other instruments requested by Lessor that are necessary or appropriate (in Lessor's sole discretion) to protect or preserve such interest.
- (e) Lessor, its agents and employees shall have the right to enter any property where Equipment is located and inspect any of the Equipment at any reasonable time. Lessor's right to inspect the Equipment is solely for the benefit of Lessor and shall not impose any obligation of any kind whatsoever on Lessor.
- (f) Lessee agrees to pay Lessor a late charge equal to five percent (5%) of the rental on all rentals not paid by Lessee to Lessor within ten (10) days of when due and owing under the provisions of this Lease, plus interest on such delinquent rental, from the due date thereof until paid, at the maximum contract rate permitted by law.
- (g) Lessor's failure to enforce strictly any of the provisions of this Lease shall not be construed as a waiver thereof or as excusing Lessee from future performance.
- (h) The invalidity of any portion of this Lease shall not affect the force and effect of the remaining valid portions thereof.

(i) All notices shall be binding upon the parties hereto if sent to the address set forth herein (unless a subsequent address has been furnished) by certified mail, by one party to the other.
(j) No representation, warranties, promises, guaranties or agreements, oral or written, expressed or implied, have been made by either party hereto with respect to this Lease or the Equipment except as expressly provided herein. This Lease and the Schedules governed thereby constitute the entire agreement between the parties hereto with respect to the leasing of the Equipment. Any change or modification to this Lease must be made in writing and signed by the parties hereto.
(k) To secure the full and punctual payment and performance of its obligations under each Schedule, Lessee hereby grants to Lessor a security interest in all Lessee's right, title and interest, whether now existing or hereafter arising, in, under and to each other schedule, lease, security agreement, or other agreement between Lessor and Lessee, and each item of equipment or other tangible personal property covered thereby.
(l) Lessee shall reimburse Lessor upon demand for all costs and expenses incurred by Lessor in connection with the execution and delivery of this Lease and the transactions contemplated hereunder including, without limitation, any lien search and filing fees.

18. Applicable Law. This Lease shall be governed by and interpreted in accordance with the laws in effect in the State of Georgia as of the date hereof.

In Witness Whereof, Lessor and Lessee have executed this Lease as of the date first above written.

NationsBanc Leasing Corporation (Lessor)

By *Chad E. Colby*
Printed Name CHAD E. COLBY
Title: ASSISTANT VICE PRES

Grace Trust (Lessee)

By *Gil Gibbs*
Printed Name Gil Gibbs
Title Trustee

State of Georgia)
County of Camden) ss:

On this 27th day of April, 1995, before me, personally appeared Gil Gibbs, to me personally known, who being by me duly sworn, says that (s)he is the TRUSTEE of Grace Trust, that the foregoing Master Equipment Lease Agreement was signed on behalf of said trust by authority granted under the Grace Trust agreement dated as of April 3, 1995, and (s)he acknowledged that the execution of said instrument was the free act and deed of said trust.

Lori A. Pipes
Notary Public

(Seal)

My Commission expires:
Notary Public, Camden County, Georgia
My Commission Expires Feb. 6, 1996

State of Georgia)
County of Camden) ss:

On this 27th day of April, 1995, before me, personally appeared Chad E. Colby, to me personally known, who being by me duly sworn, says that (s)he is the ASST. VICE PRES of NationsBanc Leasing Corporation, that said instrument was signed and on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of said instrument was the free act and deed of said corporation.

Lori A. Pipes
Notary Public

(Seal)

My Commission expires:
Notary Public, Camden County, Georgia
My Commission Expires Feb. 6, 1996

Date April 21, 1995

Schedule No. 1

This Schedule is executed pursuant to and made a part of the Master Equipment Lease Agreement No. 03622-00300 dated April 21, 1995 between NationsBanc Leasing Corporation, as Lessor, and Grace Trust, as Lessee (the "Lease").

Lessee hereby authorizes Lessor to insert in the Lease the serial numbers and other identification data of the Equipment, when determined by Lessor, and dates or other omitted factual matters.

1. Description of Equipment.

Quantity	Description	Serial No.
21	P&LE 2500 cubic foot, 3 compartment, open top, bottom discharge railcars equipped with 70 ton converted roller bearing trucks.	MMMX 001 - MMMX 020, (Inclusive) MMMX 140

a. Sales Price	\$ <u>200,400.00</u>
b. Delivery, Installation, Repair or other Service Charges, if any	\$ <u>N/A</u>
c. Sales Tax	\$ <u>Billed on Rental</u>
d. Total Equipment Cost to Lessor is:	\$ <u>200,400.00</u>
Plus:	
Lien Filing Fees	\$ <u>Billed Separately</u>
Other	\$ <u>Billed Separately</u>
Less:	
Cash Down Payment	\$ <u>N/A</u>
e. Total Lease Capitalized Cost:	\$ <u>200,400.00</u>

2. Term.

An interim term beginning on the date of acceptance of the Equipment by Lessee and continuing through and including JUNE 9, 1995, plus a basic term of 60 months beginning on JUNE 10, 1995, and continuing through JUNE 9, 2000 (unless terminated earlier in accordance with the Lease).

3. Rental.

Rent for each day of the interim term shall equal the first basic term rental installment divided by thirty, payable on the basic term commencement date specified below. For the basic term, total rental is \$ 249,981.00; payable monthly in sixty (60) rental installments of \$ 4,166.35 each, commencing on the basic term commencement date specified above, the first basic term rental installment being payable herewith and the remaining installments being payable on the same day of each succeeding month rental period.

4. Security Deposit.

\$ N/A, to be refunded to the Lessee by the Lessor at the termination of this Lease.

State of Georgia)
County of Camden)

ss:

On this 27th day of April, 1995, before me, personally appeared Gil Gibbs, to me personally known, who being by me duly sworn, says that (s)he is the TRUSTEE of Grace Trust, that the foregoing Schedule No. 1 to Master Equipment Lease Agreement was signed on behalf of said trust by authority granted under the Grace Trust agreement dated as of April 3, 1995, and (s)he acknowledged that the execution of said instrument was the free act and deed of said trust.

Lari A. Rippe
Notary Public

(Seal)

My Commission expires:

Notary Public, Camden County, Georgia
My Commission Expires Feb. 6, 1996

State of Georgia)
County of ~~Dekalb~~ Camden L.P.)

ss:

On this 27th day of April, 1995, before me, personally appeared Chad E. Colby, to me personally known, who being by me duly sworn, says that (s)he is the ASST. VICE PRES of NationsBanc Leasing Corporation, that the seal affixed to the foregoing Schedule No. 1 to Master Equipment Lease Agreement is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of said instrument was the free act and deed of said corporation.

Lari A. Rippe
Notary Public

(Seal)

My Commission expires:

Notary Public, Camden County, Georgia
My Commission Expires Feb. 6, 1996