

*Counterparts - Bartman*

ALVORD AND ALVORD  
ATTORNEYS AT LAW  
918 SIXTEENTH STREET, N.W.  
SUITE 200  
WASHINGTON, D.C.

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

20006-2973  
(202) 393-2266  
FAX (202) 393-2156

OF COUNSEL  
URBAN A LESTER

RECORDATION NO. 21913 FILED

DEC 30 '98

12-35 PM

RECORDATION NO. 213913-A FILED

DEC 30 '98

12-35 PM

December 30, 1998

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

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies of a Master Equipment Lease Agreement, dated as of August 6, 1998, a primary document as defined in the Board's Rules for the Recordation of Documents and two (2) copies of an Assignment of Lease, a secondary document related thereto.

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

Lessor/Assignee: NationsBanc Leasing Corporation  
2059 Northlake Parkway  
Tucker, GA 30084

Lessee/Assignor: The Faith 2 Trust  
1661 Beach Blvd.  
Jacksonville, FL 32250

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

ITGX 9700 - ITGX 9803

Mr. Vernon A. Williams  
December 30, 1998  
Page 2

Also enclosed is a check in the amount of \$52.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Alvord", with a stylized flourish at the end.

Robert W. Alvord

RWA/bg  
Enclosures

SURFACE TRANSPORTATION BOARD  
WASHINGTON, D.C. 20423-0001

OFFICE OF THE SECRETARY

Robert W. Alvord  
Alvord and Alvord  
918 Sixteenth Street, NW., Ste. 200  
Washington, DC., 20006-2973

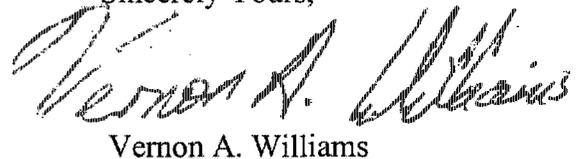
Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of 49 U.S.C. 11301

and 49 CFR 1177.3(c), on 12/30/98 at 12:35PM, and

assigned recordation number(s). 21913, 21913-A, 21914, 21914-A, 21914-B, 21915,  
21915-A, 21915-B and 21915-C.

Sincerely Yours,



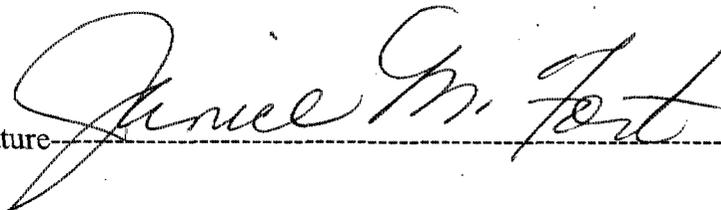
Vernon A. Williams

Enclosure(s) (9)

234.00

\$\_\_\_\_\_ 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. In the event of an error or any questions concerning this fee, you will receive a notification after the Surface Transportation Board has an opportunity to examine your document.

Signature \_\_\_\_\_



This Master Equipment Lease Agreement (this "Lease") dated as of August 6, 1998, between NationsBanc Leasing Corporation ("Lessor"), a corporation organized under the laws of North Carolina, having its chief executive office at 2059 Northlake Parkway, Tucker GA 30084, and The Faith2 Trust, ("Lessee"), a trust organized under the Laws of Florida, having its chief executive office at 1661 Beach Blvd., Jacksonville Beach, Florida 32250.

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 with all attached parts, replacements, additions, accessions and accessories attached thereto, the "Equipment") described in one or more equipment schedules (each a "Schedule") which incorporate by reference this Master Equipment Lease Agreement. 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 of Lease; Rentals and Deposit.** The lease term with respect to any Equipment covered by a Schedule shall consist of an "Interim Term" and a "Base Term" as provided in the Schedule covering such Equipment. Lessee shall pay rent for the Interim Term ("Interim Rent") as provided and in amounts determined by Lessor as set forth in the applicable Schedule, and shall pay rent for the Base Term ("Base Rent") in such amounts and at such times as shall be specified in the applicable Schedule. At the time Lessee signs and delivers a Schedule, Lessee shall deposit with Lessor such additional sum ("Security Deposit"), if any, specified in the Schedule as security for the payment and performance of any obligation of Lessee hereunder.

3. **Location and Use of Equipment.** The Equipment shall not be used or assigned for use in service involving the regular operation or maintenance outside the United States. Lessee will use, operate, protect, and maintain the Equipment in compliance with all applicable insurance policies, laws, ordinances, rules, regulations, and manufacturer's instructions, and all standards of the Association of American Railroads and any other national organization applicable to the use, maintenance, or interchange of the Equipment, and shall at its own expense make such alterations to the Equipment as are from time to time required for such compliance. The Equipment shall be used solely for commercial or business purposes, and not for any consumer, personal, home, or family purpose. Lessee shall not, through modifications, alterations or any other method, impair the originally intended function of any Equipment without the prior written consent of Lessor. Any replacement or substitution of parts, improvements or additions to the Equipment made by Lessee shall become and remain the property of Lessor. Lessee shall affix and maintain on each side of each unit of the Equipment (a) the reporting marks assigned to Lessee by the Association of American Railroads, (b) the identification number set forth in the Schedule for such unit, (c) the legend "owned by NationsBanc Leasing Corporation, as Lessor", and (d) such other markings as from time to time are required by law or deemed necessary or appropriate by Lessor to protect Lessor ownership interest in the Equipment. Lessee shall keep the Equipment free and clear of any liens, encumbrances, claims and charges (except for those created expressly by Lessor) and shall not in any way encumber its rights hereunder or under any Schedule.

4. **Taxes.** Lessee shall reimburse Lessor on demand for all taxes, assessments and other governmental charges paid by Lessor in connection with the Equipment or its use, ownership or operation while in Lessee's possession or the payment or receipt of rent or other charges under any Schedule, including but not limited to foreign, federal, state, county and municipal fees and taxes, ad valorem, sales, use, excise, stamp and documentary taxes (other than federal and state taxes based on Lessor's net income), and all related penalties, fines and interest charges. Upon Lessor's request, Lessee will immediately furnish to Lessor such information as Lessor shall require in connection with the preparation and filing of all returns relating to such taxes, assessments, or charges

5. **Net Lease, Loss and Damage.**

(a) Each Schedule is a net lease. All costs, expenses and other liabilities associated with the Equipment shall be borne by Lessee. Lessee's obligations under any and all Schedules are absolute and unconditional, and are not to be subject to any abatement, deferment, reduction, setoff, defense, counter claim or recoupment for any reason whatsoever. Except as otherwise expressly provided herein, no Schedule shall terminate nor shall the obligations of Lessee be affected, by reason of any defect or damage to, or any destruction, loss, theft, forfeiture, governmental requisition or obsolescence of the Equipment, regardless of cause.

(b) Lessee assumes all risk of damage to or loss, theft or destruction of the Equipment from any cause whatsoever from the date the Equipment is shipped by the vendor or manufacturer. In the event of loss or destruction of the Equipment from any cause whatsoever from the date the Equipment is shipped by the vendor or manufacturer but prior to its acceptance by Lessee, Lessee shall promptly pay to Lessor all sums heretofore paid by Lessor to such vendor or manufacturer and Lessor shall assign to Lessee all of its rights or causes of action, if any, against such vendor or manufacturer. In the event of damage of any kind whatsoever to any

item of the Equipment on or after its acceptance by Lessee, Lessee shall, at Lessor's option, either place the same in good repair, condition or working order or if in the reasonable judgment of Lessor the Equipment is determined by Lessor to be lost, stolen, destroyed or damaged beyond repair, Lessee shall pay Lessor the Stipulated Loss Value therefor. Upon such payment, the Lease of such Equipment shall terminate and Lessee thereupon shall become entitled to such item of the Equipment "As Is and Where Is" without warranty, express or implied, with respect to any matter whatsoever. The Stipulated Loss Value of any Equipment shall be determined by Lessor in accordance with the provisions of the Schedule covering such Equipment. Proceeds of Insurance may be available for the repair or payment of the Stipulated Loss Value, in accordance with Section 6 hereof.

6. Insurance. Lessee shall, at its own expense, procure and maintain the following insurance coverages on the Equipment until the Equipment is returned to Lessor or Lessee's obligations with respect thereto under any applicable Schedule are otherwise terminated: (i) insurance against theft, fire, and such other risks as Lessor shall specify or (absent any written specification by Lessor) as are customarily insured against in Lessee's trade or industry, under policies naming Lessor as loss payee and (ii) comprehensive public liability and property damage insurance, under policies naming Lessor as additional insured. Each such insurance policy shall: (a) include provisions for the protection of Lessor notwithstanding any action or inaction, neglect, breach, violation, or default of or by Lessee of any warranty, condition or declaration, (b) provide for payment of insurance proceeds to Lessor to the extent of its liability or interest, (c) provide that such policy may not be modified, terminated or canceled unless Lessor is given at least thirty (30) days' advance written notice thereof, (d) provide that the coverage is "primary coverage" for the protection of Lessee and Lessor notwithstanding any other coverage carried by Lessee or Lessor protecting against similar risks or liabilities, and (e) be issued in such amounts (which in the case of casualty insurance will never be less than the Stipulated Loss Value of the Equipment covered thereby), with such deductibles, by such insurance company, and otherwise in such form as shall all be reasonably satisfactory to Lessor. Lessee shall furnish Lessor with certificates or other satisfactory evidence of such insurance, and shall furnish Lessor with a renewal certificate for each policy at least ten (10) days before the policy renewal date. Lessor shall have no duty to examine any certificate or other evidence of insurance, or to advise Lessee in the event that its insurance is not in compliance with this Section 6. The proceeds of any public liability or property damage insurance shall be payable first to Lessor to the extent of its liability, if any, and the balance to Lessee. The proceeds of fire, theft, or other casualty insurance shall be payable solely to Lessor and shall be used for the repair or replacement of the affected Equipment, unless an event of default shall have occurred and be continuing, in which event such proceeds may, at Lessor's sole option, be applied toward the payment of Lessee's obligations under the applicable Schedule. Lessee hereby appoints Lessor as Lessee's agent and attorney-in-fact with full power to do all things (including but not limited to making, adjusting, and settling claims, and receiving payments and endorsing documents, checks, or drafts) necessary or advisable to secure payment due under any insurance policy contemplated hereby.

7. 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.

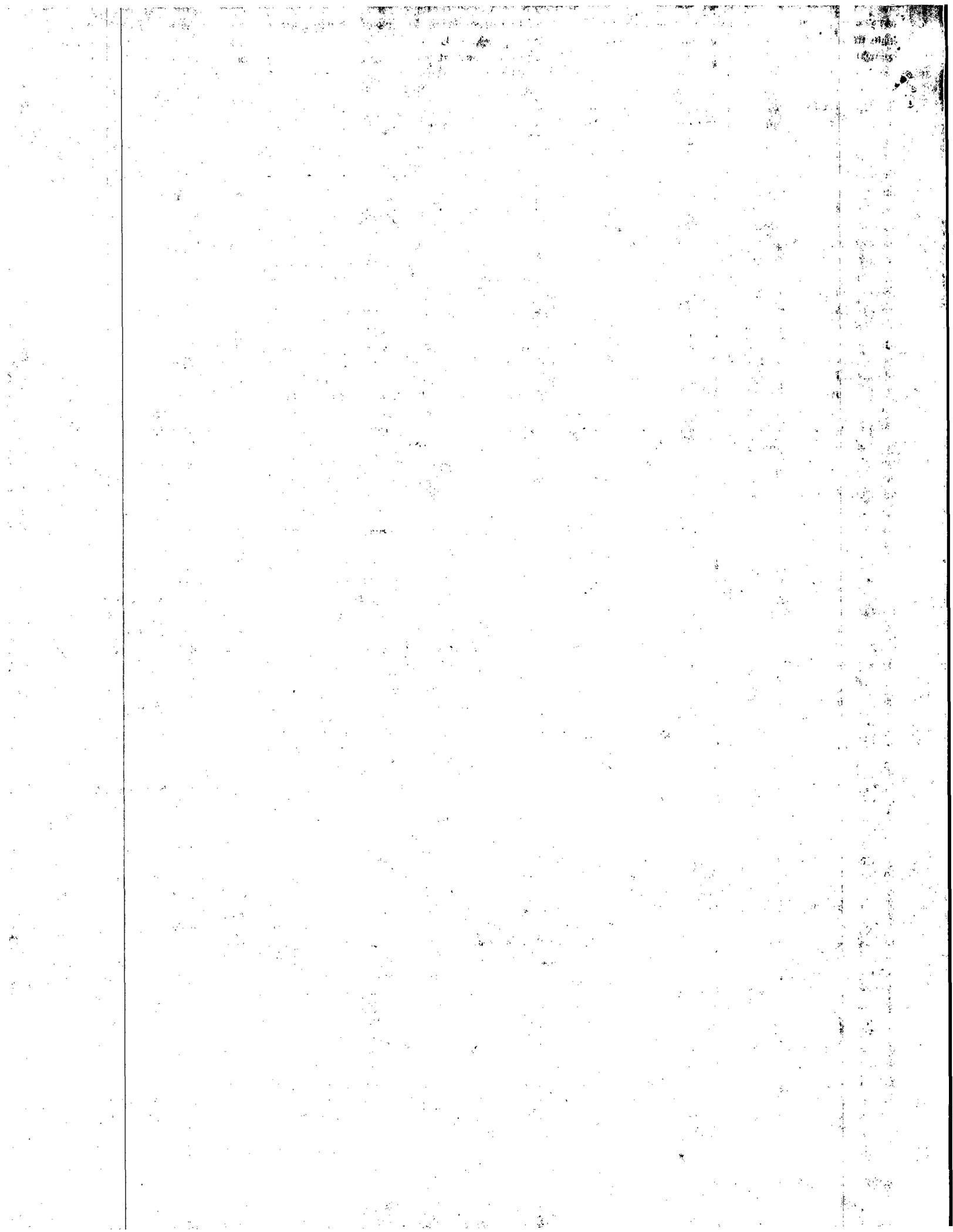
#### 8. Tax Indemnity.

(a) All references to "Lessor" in this Section 8 shall include each member of the affiliated group of corporations, as defined in Section 1504(a) of the Internal Revenue Code of 1986, as amended (the "Code"), of which Lessor is a member.

(b) Lessor and Lessee agree that Lessor shall be treated for federal, state and local income tax purposes as the owner of the Equipment and shall be entitled to take into account in computing its income tax liabilities, all items of income, deduction, credit, gain or loss relating to ownership of the Equipment as are provided under the Code and applicable state and local tax laws to owners of similar equipment (hereinafter collectively, the "Tax Benefits").

(c) If (i) Lessor shall lose, shall be delayed in claiming, shall not have a right to claim, shall be required to recapture (other than in connection with a sale of the Equipment following the end of the lease term, provided Lessee is not then in default, or as a result of an act or omission of Lessor), shall not be allowed or shall not claim as a result of a written opinion of independent tax counsel selected by Lessor to the effect that Lessor's claiming of such Tax Benefits probably would not be upheld by a court if the matter were litigated (that is, that the chances of a finding against Lessor are at least as great as the chances in favor of Lessor), all or any portion of any Tax Benefits, under any circumstances, at any times and for any reason (except as a result of the failure of Lessor to make filings timely and in accordance with the assumptions herein made); or (ii) the federal, state or local income tax rates in effect on the commencement date of the lease term for such Equipment (the "Tax Rates") are changed with respect to any period on or prior to the disposition of the Equipment by Lessor; or (iii) Lessor is required under Section 467 of the Code or otherwise to include in its gross income with respect to any Schedule or item of Equipment any amount at any time other than rentals and other amounts payable by Lessee hereunder at the times such amounts are payable as provided herein, then Lessor and Lessee agree that, upon Lessor's demand and

at Lessor's option, either: (x) all further rental payments with respect to such Equipment, if any, shall be increased, or (y) Lessee shall pay to Lessor a lump sum amount, which shall in either case maintain the net economic after-tax yield, cash-flow and rate of return Lessor originally anticipated based on the assumptions (including Tax Rates) that were originally utilized by Lessor in originally evaluating the transaction and setting the rental therefor and the other terms thereof. Lessee shall also pay to Lessor all interest, costs (including attorney's fees) and penalties associated with the loss of Tax Benefits or the change in Tax Rates, including costs of collecting amounts under this Section 8.



(d) For purposes of paragraph (c) above, Lessor shall at all times be deemed to have sufficient taxable income and tax liability to be able to utilize the Tax Benefits on a current basis and the fact that Lessor may lose Tax Benefits solely because it either (i) has insufficient taxable income or tax liability or (ii) is subject to the alternative minimum tax shall not be taken into account.

#### 9. Delivery, Acceptance and Return of Equipment.

(a) Upon delivery to and acceptance by Lessee of any Equipment, Lessee shall execute and deliver the Schedule relating to such Equipment, identifying same and acknowledging receipt thereof, with all information required on the Schedule fully completed. Lessee's execution of such Schedule shall constitute acceptance of delivery of such Equipment and 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 such Equipment is leased.

(b) Upon the expiration or early termination of this Lease, Lessee shall, at its risk and expense, assemble all units of the Equipment at any single facility of Lessee, selected by Lessor by notice not later than 150 days before this Lease expires, within the United States or, if Lessor does not so notify Lessee, at any such facility selected by Lessee, and there store the Equipment for a period not to exceed 45 days after this Lease expires, and deliver the Equipment to a carrier for shipment at Lessor's instructions.

Upon termination or expiration of this Lease, Lessee shall deliver to Lessor (or any person designated by Lessor) all manuals, logs, and maintenance records for the Equipment, if available.

Upon such return, the Equipment shall be in the condition required by §§ 3 and 10 hereof. Not less than 30 days before this Lease expires, Lessee shall notify Lessor of the location to which the Equipment is to be delivered pursuant to this section. Lessor (or any person designated by Lessor) may there inspect the Equipment. If any unit of Equipment is found not conforming to the requirements of this section, Lessee shall make such repairs as are necessary for such conformance.

If any unit of Equipment is not returned in the required condition upon the expiration of this Lease, Lessee shall pay to Lessor daily rent for each day from the expiration of this Lease to the date such unit is returned or restored to the condition required, as the case may be (or payment made in respect of any such unit deemed to have suffered a loss in accordance with 5(b) hereof). Such daily rent shall be the daily equivalent of Base Rent, but shall not be less than the amounts paid by railroad companies to other railroad companies or private car lines for the use of equipment of the same age and type of the Equipment.

10. **Maintenance.** Lessee shall, at its own expense, maintain and keep the Equipment in good working order, repair, appearance and condition and make all necessary adjustments and repairs thereto and replacements thereof, all of which shall become the property of Lessor. Lessee 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 parts shall be free of liens and encumbrances when installed. 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.

11. **Renewal and Purchase.** Except as set forth in the applicable Schedule, Lessee may not renew or extend the lease term with respect to any Equipment, nor shall Lessee have any option to purchase such Equipment.

12. **Assignment of Warranties and Limitation of Responsibility.** Lessor hereby transfers and assigns to Lessee, to the extent allowable by law, for and during the lease term of each Schedule with respect to any Equipment covered by such Schedule, the warranties, if any, of the manufacturer issued on such Equipment, and hereby authorizes Lessee to obtain at its own expense the customary service furnished by the manufacturer in connection therewith. Lessee acknowledges that Lessor is not a manufacturer, the agent of 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, performance, condition, fitness or suitability of any of the Equipment for the purposes of Lessee or make any other representation with respect thereto. Lessor shall not be liable to the Lessee for any loss, claim, liability, cost, damage or expense of any kind caused, or alleged to be caused, directly or indirectly, by any 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 thereof, 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 shall not in any way be affected by any defect or failure of performance of Equipment.

13. **Personal Property.** "[intentionally deleted]"

#### 14. Default and Remedies.

(a) Each of the following shall constitute an event of default hereunder and under any and all Schedules then in effect (each, an "Event of Default"): (1) 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; (2) Lessee's failure to perform and comply with any other provision or condition hereunder or under any Schedule if such failure continues for ten (10) days after written notice thereof by Lessor to Lessee; (3) 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 to any such item in favor of anyone other than Lessor, or any attempted levy, seizure or attachment on such item; (4) 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; (5) the merger, consolidation, reorganization or dissolution of, or transfer of a controlling stock interest in Lessee or the suspension of Lessee's present business; (6) 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, or the taking of any action to authorize or implement any of the foregoing; (7) 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 subjection 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; (8) 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; (9) the attempted repudiation of any guaranties for obligations of Lessee to Lessor; (10) 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 (11) the occurrence of any event described in clauses (6), (7), (8), or (10) of this Section 14 with respect to any guarantor or the person liable for payment or performance of Lessee's obligations under this Lease.

(b) Upon the occurrence of an Event of Default, Lessor may at its option: (1) proceed by appropriate court action or actions, either at law or in equity, to enforce performance by Lessee of the applicable covenants hereunder and under any or all Schedules or to recover damages for the breach thereof; or (2) cancel Lessee's right of possession of any or all of the Equipment, whereupon all rights of Lessee to use the Equipment shall absolutely cease and terminate, but Lessee shall remain liable as herein provided. Upon such cancellation, Lessee shall, at its own expense, immediately redeliver such Equipment to Lessor at a place within the continental United States designated by Lessor. If Lessee shall fail to do so, Lessor may retake possession of same, free from any right of Lessee, its successors or assigns. If Lessor elects to cancel Lessee's right of possession of any Equipment, Lessor may recover from Lessee any and all amounts that, under the terms of the applicable Schedule, are then due or that have accrued to the date of such termination, and may also recover forthwith from Lessee, as damages for loss of its bargain and not as a penalty, an amount equal to the Stipulated Loss Value of such Equipment as of the rental payment date on or next preceding the date of default. However, if Lessor recovers possession of such Equipment, Lessee's obligations under the preceding sentence shall be reduced by (1) the net amount Lessor in fact receives from the sale of any such Equipment, or (2) at Lessor's election, the present value (determined on the basis of the "Discount Rate" as hereinafter defined) of the noncancelable regularly scheduled rentals receivable under a subsequent lease of any of the Equipment, taking into account only the rentals receivable from the commencement date of such subsequent lease until the end of the lease term for such Equipment under the applicable Schedule. For purposes of this Section 14, the Discount Rate shall be a rate of interest equal to four percent (4.0%) plus the "Prime Rate" of NationsBank of Georgia, N.A., Atlanta, Georgia (or any successor thereto as announced on the day on which the commencement date of such subsequent lease occurs).

(c) In addition to any amount recoverable under paragraph (b) above, Lessor may recover from Lessee all Lessor's costs and expenses incurred by reason of Lessee's breach or default, including without limitation costs and expenses of repossession, storing, holding, transporting, insuring, servicing, repairing, maintaining, renting, and selling any Equipment and collecting rents and other proceeds of its disposition, and fees expenses of attorneys in the amount fifteen percent (15%) of all amounts due on or after the time of such breach or default (but not to exceed the amount actually incurred), and other professionals employed by Lessor in connection with the protection and enforcement of its title and interest in any and all Equipment and its rights under any and all Schedules. From and after the occurrence of an event of default, any installment of rent or other sum owing under any Schedule that is not paid when due shall accrue interest from the date of such event of default or (if later) the date such amount becomes due to the date it is paid, at a per annum rate equal to the lessor of (i) fifteen percent (15%), or (ii) the highest rate, if any, permitted by applicable law.

(d) Except as otherwise expressly provided herein, all rights and remedies of Lessor are concurrent and cumulative. The exercise or partial exercise of any remedy shall not restrict Lessor from further exercise of that remedy or any other remedy provided for herein or otherwise available under applicable law. To the extent permitted by applicable law, Lessee waives any rights now or hereafter conferred by statute or otherwise that may require Lessor to sell, release or otherwise use or dispose of any of Equipment in mitigation of Lessor's damages or that may otherwise limit or modify any of Lessor's rights or remedies.

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 of all or any part of any Equipment (excepting therefrom that certain Railroad Car Lease Agreement dated December 8, 1995 by and between ITG, Inc. as assigned to The Faith2 Trust, and Vulcan Materials Co. ) 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 or under any Schedule any right, title or interest in or to the Equipment, except the right to use the same under the conditions hereof and under the additional conditions set forth in the applicable Schedule. Lessee waives any right to assert any lien or security interest on the Equipment in Lessee's possession or control for any reason.

(b) The relationship between Lessor and Lessee shall always and only be that of lessor and lessee. Lessee shall never at any time 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) 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 execute and file any other instruments requested by Lessor that are necessary or appropriate to protect or preserve such interests.

Lessee hereby irrevocably appoints Lessor as Lessee's agent and attorney-in-fact for Lessee to execute, deliver, file, or record any such item, and to take such action for Lessee and in Lessee's name, place and stead.

(d) Lessor, its agents and employees shall have the right to enter any property where Equipment is located and inspect any 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.

(e) 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.

(f) 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.

(g) Lessor's rights and remedies with respect to any of the terms and conditions of each Schedule shall be cumulative and not exclusive and shall be in addition to all other rights and remedies in its favor. Lessor's failure to enforce strictly any of the provisions of any Schedule shall not be construed as a waiver thereof or as excusing Lessee from future performance.

(h) The invalidity of any portion of this Lease or any Schedule 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 respective addresses set forth herein, or to such other address as either party may designate in a written notice to the other party. Except as otherwise expressly provided herein, all notices shall be deemed effective when deposited in the United States mail (if sent by registered, certified or first-class mail, postage prepaid) or when received (if sent by any other means).

(j) Except as expressly provided herein, no representation, warranty, promise, guaranty or agreement, oral or written, expressed or implied, has been made by either party herein with respect to any Schedule or Equipment. This Lease and the Schedules governed hereby constitute the entire agreement between the parties herein with respect to the leasing of the Equipment. Any change or modification to this Lease or any Schedule governed hereby must be made in writing and signed by the parties hereto.

(k) To the extent permitted by applicable law, this is a "finance lease" under Section 2A-103(g) of the Uniform Commercial Code. Lessee waives any right (i) to cancel or repudiate this Lease or any Schedule governed hereby, (ii) to reject or revoke acceptance of any item of Equipment, and (iii) to recover from Lessor any general or consequential damages, for any reason whatsoever.

(l) This Lease and each Schedule incorporating its terms and conditions shall be governed by and construed according to the internal laws of the State of Georgia as of the date hereof, without giving effect to any principle of conflicts of law or choice of law that would otherwise make the law of any other jurisdiction the law governing this Lease or any such Schedule.

(m) Any controversy arising out of, or relating to, this Agreement, or a breach, which shall be settled by binding arbitration administered by the American Arbitration Association in accordance with its rules. A judgment upon an award rendered by the arbitrator may be entered in any court having jurisdiction. The initiating party shall give written notice to the other party of its decision to arbitrate by providing a specific statement setting forth the nature of the dispute, the amount involved, the remedy sought, and the hearing locale requested. The initiating party shall be responsible for all filing requirements and the payment of any fees according to the rules of the applicable regional office of the American Arbitration Association. The arbitrator shall award to the prevailing party, if any, as determined by the arbitrator, all of its costs and expenses including attorney's fees, arbitrator's fees, and out-of-pocket expenses of any kind. The consideration of the parties to be bound by arbitration is not only the waiver of trial by jury, but also the waiver of any rights to appeal the arbitration finding.

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

NationsBanc Leasing Corporation (Lessor)

The Faith2 Trust (Lessee)

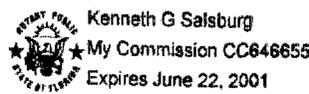
By: T. J. White  
Printed Name: T. J. White  
Title: SVP

By: Keith A. Gibbs  
Printed Name: Keith A. Gibbs  
Title: Trustee

State of FLORIDA )  
County of DUVAL ) ss:

On this 28<sup>th</sup> day of August, 1998, before me, personally appeared Keith A. Gibbs, to me personally known, who being by me duly sworn, says that (s)he is the TRUSTEE of Faith2 Trust, that the foregoing Master Equipment Lease Agreement was signed on behalf of said trust by authority granted under the Faith 2 Trust agreement dated as of June 17, 1998, and (s)he acknowledged that the execution of said instrument was the free act and deed of said trust.

Kenneth G Salsburg  
Notary Public

(Seal)  
My Commission expires: 

State of Georgia )  
County of Dekalb ) ss:

On this \_\_\_\_\_ day of \_\_\_\_\_, 1998, before me, personally appeared \_\_\_\_\_, to me personally known, who being by me duly sworn, says that (s)he is the \_\_\_\_\_ of NationsBanc Leasing Corporation, that the seal affixed to the foregoing 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.

(Seal)  
My Commission expires:

# NationsBank

NationsBanc Leasing Corp.

## Equipment Lease Schedule

## For Master Equipment Lease Agreement

### Schedule Number 001

This Schedule, dated as of December 16, 1998, between NationsBanc Leasing Corporation, as Lessor, and The Faith2 Trust, as Lessee, is executed pursuant to and is subject to the terms and conditions of Master Equipment Lease Agreement Number 03197-00300 dated as of December 16, 1998 (the "Lease"). Unless otherwise defined herein, capitalized terms used in this Schedule have the respective meanings assigned to such terms in the Lease. Should any terms and conditions of this Schedule conflict with any provision of the Lease, the terms and conditions herein shall supersede conflicting terms and conditions in the Lease.

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

**Description of Equipment:** The total cost of which to Lessor is \$3,816,145.23 ("Total Capitalized Cost"):

Quantity Cost	Description	SerialNum	CustomerRef
104	Rail Cars - 100-Ton Rapid Discharge RDI, 3800 cubic feet capacity, Numbers ITGX 9700 through ITGX 9803		\$3,816,145.23
Equipment Total:			\$3,816,145.23
Payment Total:			\$39,520.00

**Term of Lease with respect to Equipment:** The term of the Lease for the Equipment described herein is for an Interim Term commencing on the Acceptance Date set forth below, and continuing through and including the day preceding the Base Term Commencement Date; and for a Base Term of Eighty Four (84) months commencing on the 5th day of the calendar month following the Acceptance Date (the "Base Term Commencement Date").

**Rental:** Interim Rent shall be due Lessor for each day in the Interim Term shall equal the first Base Rent installment divided by thirty. Interim Rent shall be payable on the Base Term Commencement Date.

Base Rent shall be payable in Eighty Four (84) consecutive monthly installments of \$39,520.00 each, or as set forth in the Schedule of Base Rent installments attached hereto, the first Base Rent installment being payable on the Base Term Commencement Date and the remaining Base Rent installments being payable on the 5th day of each succeeding month.

**Stipulated Loss Value:** After the occurrence of any casualty loss or other event giving Lessor the right to require payment of the Equipment's Stipulated Loss Value, Lessor shall calculate such Stipulated Loss Value and give Lessee written notice thereof. Such "Stipulated Loss Value", as of any particular date, shall be the product obtained by multiplying the Total Capitalized Cost for the item of Equipment in question by the percentage, as set forth in the attached "Schedule of Stipulated Loss Values", specified opposite the rent installment number becoming due immediately after the date Lessor gives Lessee notice requiring payment of the Stipulated Loss Value (the "SLV Payment Date"). On the SLV Payment Date, Lessee shall pay Lessor the Stipulated Loss Value plus the rent installment then due, together with any other unpaid amounts then due and owing under this Schedule. If only a portion of the Equipment is affected by any event causing calculation of Stipulated Loss Value, and the cost of such portion cannot be readily determined from the Total Capitalized Cost set forth above, then the Total Capitalized Cost for such portion shall be as reasonably calculated by Lessor, with written notice of such Total Capitalized Cost being sent to Lessee by Lessor.

**Assets Class and Depreciable Life:** Lessee hereby warrants and represents that the above described Equipment qualifies under asset guideline class 0.25 and constitutes "7-year property" within the meaning of Internal Revenue Code Section 168.

**Location of Equipment:** Equipment will be located at:

Location	Address	City	County	State	ZIP
		Waukegan	Lake	Illinois	60085

**Insurance Requirements:** Lessee shall comply, or cause the sublessee under the Master Agreement No. ITG-2378 between Vulcan Materials Company and ITG, Inc. Lease to comply with the following terms.

Liability: Not less than \$500,000.00 combined single limit liability insurance, including bodily injury and death and property damage, covering activities of Lessor and Lessee and naming Lessor as additional insured.

Physical Damage: Comprehensive insurance, including loss by burglary, theft, malicious mischief and fire, for an amount not less than the Stipulated Loss Value of the Equipment, and naming Lessor as loss payee.

**End of Base Term Options:** In addition to Lessee's option to return the Equipment to Lessor, Lessee may, provided no Event of Default has occurred and continues, and upon Lessee having provided to Lessor written notice not less than ninety (90) days prior to the expiration of the Base Term of Lessee's election (which shall be irrevocable), elect to:

(i) Lessee may, provided no Event of Default has occurred and continues, and upon its having provided to Lessor written notice not less than ninety (90) days prior to the expiration of the Base Term of its election (which shall be irrevocable), purchase all of Lessor's right, title and interest in and to all, but not less than all, of the Equipment on an "as-is, where-is" basis, with no warranties (express or implied) as to any matter whatsoever, except that no lien or encumbrance against the Equipment then exists that has been created by Lessor, for a purchase price equal to the then Fair Market Value of the Equipment, which shall not exceed \$1,626,059.48. Lessee shall pay Lessor the purchase price plus any applicable taxes on the expiration of the Base Term in immediately available funds.

(ii) Lessee may, provided no Event of Default has occurred and continues, and upon its having provided to Lessor written notice not less than ninety (90) days prior to the expiration of the Base Term of its election (which shall be irrevocable), extend the Base Term for a period to be agreed upon by Lessee and Lessor for an amount equal to the Equipment's then fair market rental value, as determined by Lessor. The fair market rental value shall be payable by Lessee to Lessor on the same day of the month the Base Term Rental Installments were due.

**Return Conditions:**

In addition to the maintenance and return conditions set forth in the Lease, the Equipment covered by this Schedule also shall be subject to the following conditions:

- (i) Cars shall not be used in Mexico; and
- (ii) Lessee will act as a fiduciary on behalf of Lessor as to reporting, maintenance, physical condition, etc.

During any renewal term of the Lease, for Cars that are casualties, Lessor will receive from Lessee as Casualty Value the greater of 1) the Casualty Value on Rider No. 8 to the Master Agreement No. ITG-2378 between Vulcan Materials Company and ITG, Inc.

- (i) Cars may not be loaded for revenue service after the date of Lease expiration or the expiration of any renewal term;
- (ii) for tank cars: tank cars will be steam cleaned, free of liquid and product residue; Lessee will inform Lessor if any other product (product type) is transported in the Car, other than what was permitted hereunder; Lessee is responsible for full and complete cleaning;
- (iii) the Cars will be returned to Lessor complete, as when new, cleaned and free of product and other miscellaneous junk, silt, sludge, debris, or residue;
- (iv) exterior sides will be free of rust and corrosion, to the extent it would impair the use of the cars as normally intended, and will be painted according to a standard paint scheme, free of any and all advertising and notices other than receiving numbers and Lessee's corporate identification;
- (vi) all required tests and dates (cost, etc.) shall be in accordance with AAR requirements;
- (vii) in the case of covered hoppers and tank cars (if applicable), lining must be intact and in serviceable condition; and

- (viii) Lessee shall return the Equipment, in first class operating condition (as for cars of this type and in aggregate service, capable of being loaded immediately for similar or like service, and commanding revenue accordingly), as indicated in the inspection and appraisal by Rail Solutions dated December 15, 1998, less normal wear due to aging, no later than ten days after Lease expiration, with one free move per Car on Lessee tracks (including subsidiary); with respect to Cars not returned in ten days, Lessee shall pay Rent on a per diem basis until returned.
- (i) The Cars may only be used in revenue service and may not be used in company service, maintenance of way service or for storage of company materials; and
- (ii) the Lessor will be reimbursed for material removed from the Car (s) during any modification; the dollar amount will be based on the weight times the going rate of Pittsburgh #1 heavy melting.

**No Material Adverse Change:** Lessee represents and warrants that there has been no material adverse change in its business or financial condition since June 17, 1998. Lessor shall not be obligated to execute this Schedule and lease the Equipment hereunder to Lessee if there shall have occurred any change in applicable law that would have a material adverse impact on the transaction contemplated hereby or there shall have occurred a material adverse change (in Lessor's sole judgment) in the financial or business condition of Lessee.

**Acknowledgment of Receipt of Equipment:** Lessee acknowledges that the Equipment described herein above has been delivered to and received by it, is conforming as represented, and is acceptable and satisfactory to it, and that the same has been irrevocably accepted as Equipment leased by Lessee under this Schedule as of the date written below (the "Acceptance Date").

NationsBanc Leasing Corporation

By: T. White  
 Printed Name: T. White  
 Title: SUP

06N75

The Faith2 Trust

By: Keith A. Gibbs  
 Printed Name: Keith A. Gibbs  
 Title: Trustee  
 Acceptance Date: 12/29/98

Cynthia R. Weibhaus 12/29/98

Notary Public, Gwinnett County, Georgia  
 My Commission Expires Oct. 8, 1999

# NationsBank

NationsBanc Leasing Corporation

## Schedule of Stipulated Loss Values For Equipment Lease Schedule

Schedule Number 001

This Schedule of Stipulated Loss Values is made a part of Equipment Schedule No. 001, dated December 16, 1998, to Master Equipment Lease Agreement Number 03197-00300, dated as of December 16, 1998, between NationsBanc Leasing Corporation (as "Lessor") and The Faith2 Trust (as "Lessee").

Base Rent Installment Number	Stipulated Loss Value Percentage	Base Rent Installment Number	Stipulated Loss Value Percentage	Base Rent Installment Number	Stipulated Loss Value Percentage
1	100.99810	33	82.24820	65	58.11500
2	100.49230	34	81.56790	66	57.28820
3	99.98240	35	80.88310	67	56.45610
4	99.46770	36	80.19090	68	55.61890
5	98.94890	37	79.49410	69	54.77860
6	98.42510	38	78.79270	70	53.93300
7	97.89730	39	78.08640	71	53.08230
8	97.36530	40	77.37560	72	52.22830
9	96.82840	41	76.66010	73	51.36910
10	96.28730	42	75.93980	74	50.50470
11	95.74210	43	75.21480	75	49.63490
12	95.19180	44	74.48510	76	48.76190
13	94.63740	45	73.75060	77	47.88360
14	94.07870	46	73.01120	78	47.00200
15	93.51590	47	72.26710	79	46.11500
16	92.94240	48	71.51820	80	45.22270
17	92.36480	49	70.76440	81	44.32700
18	91.77650	50	70.00570	82	43.42600
19	91.18380	51	69.24210	83	42.51950
20	90.58690	52	68.47560	84	41.60970
21	89.97920	53	67.70410		
22	89.36720	54	66.92980		
23	88.75080	55	66.15050		
24	88.12360	56	65.36610		
25	87.49200	57	64.57890		
26	86.85590	58	63.78660		
27	86.21530	59	62.98920		
28	85.56760	60	62.18890		
29	84.91540	61	61.38350		
30	84.25610	62	60.57300		
31	83.59230	63	59.75740		
32	82.92380	64	58.93880		

In Witness Whereof, Lessee and Lessor have caused this Schedule of Stipulated Loss Values to be executed by its authorized officers.

NationsBanc Leasing Corporation

By: T. White

Printed Name: T. White

Title: SUP

The Faith2 Trust

By: Keith A. Gibbs

Printed Name: Keith A. Gibbs

Title: Trustee

ADDENDUM TO MASTER EQUIPMENT LEASE AGREEMENT BETWEEN  
NATIONS BANC LEASING CORPORATION AND  
FAITH 2 TRUST DATED AS OF AUGUST 6, 1998

Notwithstanding the terms and conditions stated in the Master Equipment Lease Agreement ("Equipment Lease"), the parties acknowledge the following:

1. The equipment identified in the Equipment Lease is subject to Riders 7 and 8 to a Railroad Car Lease Agreement with ITG, Inc. and Vulcan Materials Company dated December 8, 1995 ("Vulcan Lease"). Lessor acknowledges receipt of a copy of said agreement which shall be collaterally assigned by Lessee. Lessor further acknowledges that Vulcan shall have possession of the equipment pursuant to the terms of the Vulcan Lease and that performance by Vulcan under the terms of the Vulcan Lease shall constitute satisfactory performance by Lessee under the Equipment Lease, except for payment by Lessee of the rent payment required under the Equipment Lease. The terms and conditions in the Vulcan Lease, specifically including insurance requirements and default notifications, shall control in the event of any inconsistency, except as specifically modified by this addendum.

2. The stipulated loss value of equipment as provided in paragraph 5 of the Equipment Lease shall in no event be greater than the values established on Riders 07 and 08 made a part of the Vulcan Lease.

3. In no event shall the individuals holding beneficial interest in the Lessee trust be held liable for any performance or default under the Equipment Lease.

4. Upon termination of the Equipment Lease, Lessee shall have the option to purchase the personal property as provided for in the Equipment Lease schedule at the fair market price which is agreed to be \$15,202.35 per car.

5. All other items and conditions of the Master Equipment Lease Agreement not modified herein shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

WITNESSES:

Donna Askren  
DONNA ASKREN  
DOCUMENTATION ADMINISTRATOR

Jennifer Medlin  
Print Name Jennifer Medlin  
Documentation Administrator

Gary Silsburg  
Print Name Gary Silsburg

Gayle Bradley  
Print Name GAYLE BRADLEY

NationsBanc Leasing Corporation

By: Carol Jones  
Address: **CAROL JONES**  
**ASSISTANT VICE PRESIDENT**

2059 Northlake Parkway, 4th Floor  
Tucker, GA 30084

FAITH 2 TRUST

By: Keith A. Hill  
Trustee

Address:

1661 Beach Boulevard  
Jacksonville Beach, FL 32250

## PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement ( the "Agreement") is made as of the <sup>25<sup>th</sup></sup> day of June, 1998, by Florida Crushed Stone Company (hereinafter called the "Seller"), a Florida corporation, and Rail Trusts Equipment, Inc., a corporation organized under the laws of the State of Florida (hereinafter called the "Buyer"). Seller is the owner of railroad rolling stock which Buyer desires to purchase and Seller desires to sell.

For and in consideration of the premises and the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller hereby agree as follows:

### 1. PURCHASE AND SALE OF ASSETS.

1.1 The Transaction. At the closing (as hereinafter defined), subject to the terms and conditions hereof, Seller shall sell, transfer, assign and deliver to Buyer, and Buyer shall purchase and accept from Seller, all right, title and interest of Seller, both legal and equitable, in and to the Railcars as described on Schedule 1:

1.2 Casualty Railcars. As used herein, Casualty Railcars shall mean those Railcars, which as of the Closing (as hereinafter defined) have been destroyed, damaged beyond economic repair (in accordance with the provisions of Rule 107 of the Interchange Rules of the Association of American Railroads), lost, stolen, or requisitioned by governmental authority; Casualty Railcars shall be deemed deleted from this Agreement.

### 2. PURCHASE PRICE; PAYMENT; PURCHASE PRICE ADJUSTMENTS

2.1 Purchase Price. The total purchase price to be paid by Buyer for the Railcars shall be an amount in United States funds equal to \$1,430,000.00 (one million four hundred thirty thousand dollars) for 104 Railcars, subject to reduction with respect to any Casualty Railcars in accordance with the provisions of Section 2.2 hereof (the "Purchase Price"). As soon as practicable after execution of this Purchase and Sale Agreement, Buyer will issue Seller a non-refundable deposit in the amount of \$50,000.00 by company check. Such deposit will be used to reduce the Purchase Price at Closing. In the event of multiple Closings, said deposit will be applied to the purchase of each Railcar on a pro rata basis.

2.2 Purchase Price Adjustments. The Purchase Price shall be reduced for each Casualty Railcar by an amount equal to \$13,750.00 (thirteen thousand seven hundred fifty dollars). The parties agree and acknowledge that the foregoing amount does not represent an allocation of the Purchase Price, but is merely an amount to be used in adjusting the Purchase Price for the purposes of this Section 2.2. To the extent any Railcar is identified as a Casualty Railcar prior to the Closing, the Purchase Price shall be appropriately reduced prior to payment. All insurance proceeds, casualty value, stipulated loss or similar payments for each Casualty Railcar shall be for the account of Seller.

2.3 Taxes. All federal, state and local sales, use, stamp, transfer, documentary or other taxes, fees, or duties arising out of the transaction contemplated hereby shall be the responsibility of Buyer. Notwithstanding the foregoing, Buyer shall have no obligation for any taxes based on, or measured by, the net income of Seller.

### **3. THE CLOSING AND TRANSFER OF RAILCARS**

3.1 Closing. A "Closing" is defined as the time when the conditions precedent to closing, the exchange of relevant documents, and the payment of the Purchase Price have all been completed. The date on which the Closing actually occurs shall be defined as the "Closing Date," and shall be on or before September 1, 1998. The Railcars shall be deemed delivered to Buyer on the Closing Date after acceptance by CSX Transportation in Brooksville, Florida.

3.2 Seller's Closing Deliveries. Prior to the Closing, Seller shall deliver to Buyer, fully executed and acknowledged, an original of this Purchase and Sale Agreement. At Closing Seller shall deliver to Buyer a fully executed Bill of Sale for the Railcars in the form of Exhibit A to this Agreement and possession of the Railcars.

3.3 Buyer's Closing Deliveries. Prior to the Closing, Buyer shall deliver to Seller, fully executed and acknowledged, an original of this Purchase and Sale Agreement. At Closing, Buyer will pay the amount of the purchase price by certified check to Florida Crushed Stone Company, 10311 Cement Plant Road, Brooksville, Florida 34601.

### **4. ALLOCATION OF REVENUES AND EXPENSES**

4.1 All monies which are received or would be received in the ordinary course and all costs which are paid or would be paid in the ordinary course with respect to the Railcars and with respect to any Railcar prior to the Closing Date shall be for the account of Seller. All monies which are received or would be received in the ordinary course and all costs which are paid or would be paid in the ordinary course with respect to the Railcars and with respect to any Railcar on or after the Closing Date shall be for the account of Buyer. Notwithstanding anything to the contrary contained in the preceding two sentences, all current property taxes respecting the Railcars that are due and payable shall be prorated between the parties as of the Closing Date.

4.2 Each party will provide to the other information and copies of its records at reasonable times to the extent necessary to give effect to and confirm compliance with this Article.

### **5. REPRESENTATIONS AND WARRANTIES OF SELLER**

Seller hereby represents, warrants and declares to and in favor of Buyer that:

(a) Upon Closing, Seller shall have conveyed to Buyer good and marketable title to the Railcars free and clear of all liens, claims, demands, encumbrances, privileges, pledges or other charges of every nature and kind whatsoever;

(b) Seller is duly organized and validly existing in the state of its incorporation and is in good standing in such state;

(c) This Agreement (i) has been properly authorized by all necessary corporate action, and (ii) does not require the approval of any holder of shares, stocks, bonds, debentures or other securities outstanding under any agreement, indenture or other instrument to which Seller is a party or by which Seller or its property or any part thereof may be charged or affected;

(d) Neither the execution and delivery of this Agreement nor the fulfillment of the terms, conditions, and provisions hereof (i) constitutes or will constitute a breach of any existing and outstanding contractual or other obligation of Seller, (ii) will violate any provision of law or the charter or by-laws of Seller, (iii) requires the approval or the giving of prior notice to any government, government agency, ministry, bureau or commission, whether domestic or foreign, or (iv) will breach or result in the breach of, constitute a default under, contravene any provisions of, or result in the creation of any lien, charge, encumbrance or security interest upon any property or assets of Seller pursuant to any of Seller's stocks, bonds, notes, debentures or other securities outstanding under any agreement, indenture or other instrument to which Seller is a party of by which Seller or its property may be charged or affected;

(e) This Agreement constitutes legal, valid and binding obligations of Seller, enforceable in accordance with the provisions hereof.

## **6. REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer hereby represents, warrants and declares to and in favor of Seller that:

(a) This Agreement (i) has been properly authorized by all necessary corporate action, and (ii) does not require the approval of any holder of shares, stocks, bonds, debentures or other securities outstanding under any agreement, indenture or other instrument to which Buyer is a party or by which Buyer or its property or any part thereof may be charged or affected;

(b) Neither the execution and delivery of this Agreement nor the fulfillment of the terms, conditions, and provisions hereof (i) constitutes or will constitute a breach of any existing and outstanding contractual or other obligation of Buyer, (ii) will violate any provision of law or the charter or by-laws of Buyer, (iii) requires the approval or the giving of prior notice to any government, government agency, ministry, bureau or commission, whether domestic or foreign, or (iv) will breach or result in the breach of, constitute a default under, contravene any provisions of, or result in the creation of any lien, charge, encumbrance or security interest upon any property or assets of Buyer pursuant to any of Buyer's stocks, bonds, notes, debentures or other securities outstanding

under any agreement, indenture or other instrument to which Buyer is a party or by which Buyer or its property may be charged or affected;

(c) This Agreement constitutes legal, valid and binding obligations of Buyer, enforceable in accordance with the provisions hereof;

(d) Buyer is duly organized and a validly existing in the state of its incorporation and is in good standing in such state;

(e) The Railcars are purchased for (i) resale as tangible personal property or (ii) use as rolling stock in interstate commerce; and

(f) Buyer has had adequate opportunity to, and has examined and inspected to its satisfaction, the Railcars and all documents and information related thereto.

## **7. CONDITION OF RAILCARS**

At Closing, all Railcars will be delivered to Buyer in similar/like condition. Specifically any Railcars not yet processed through the mechanical and structural repair program will have been completed. This program included hood sheet replacement, slope sheet replacement, bracing replacements, etc. Except as provided herein, **THE RAILCARS SHALL BE SOLD TO BUYER BY SELLER ON AN "AS-IS, WHERE-IS" BASIS, WITH ALL FAULTS, WITHOUT ANY WARRANTIES, EXPRESS OR IMPLIED, AS TO THE QUALITY, CONTENT, CONDITION OF THE RAILCARS, INCLUDING THE WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR USE OF THE EQUIPMENT AND NO WARRANTIES AGAINST PATENT INFRINGEMENT OR THE LIKE**; it being agreed that all such risks are to be borne by the Buyer and that Seller shall in no event be responsible for any direct, incidental, or consequential damages (including strict liability in tort).

## **8. BUYER'S INDEMNITY**

Buyer shall indemnify and hold Seller harmless from and against any and all costs, claims, liabilities and causes of action, including but not limited to attorneys' fees and the costs of defending such claims (collectively, the "Claims"), arising from event occurring from and after the Closing, with respect to the condition, repair, leasing, sale, utility, use, ownership or management of the Railcars or any Railcar. Upon payment of such indemnity, Buyer shall be subrogated to Seller's rights against any third parties respecting the Claim.

## **9. SELLER'S INDEMNITY**

Seller shall indemnify and hold Buyer harmless from and against any and all costs, claims, liabilities and causes of action, including but not limited to attorneys' fees and the costs of defending such claims (collectively, the "Claims"), arising from event occurring before the Closing, with respect to the condition, repair, leasing, sale, utility, use, ownership or

management of the Railcars or any Railcar. Upon payment of such indemnity, Seller shall be subrogated to Buyer's rights against any third parties respecting the Claim.

## **10. FURTHER ASSURANCES AND ACTIONS**

10.1 Each party shall make, do and execute or cause to be made, done and executed all such further acts, deeds and assurances as the other party or its counsel may, at any time or from time to time, reasonably deem requisite for more effectively conveying the Railcars to Buyer as aforesaid and according to the intent and meaning of this Agreement.

10.2 Without limiting the generality of the foregoing, Seller shall execute all documents and certificates for each Railcar as may be required under the Rules of the AAR, and as provided by Buyer, necessary to transfer the Railcars to Buyer, it being understood that the execution of any such documents or certificates shall not be deemed to constitute any warranty or representation with respect to the Railcars.

10.3 Seller shall send to Buyer all communications respecting the Railcars promptly upon the receipt thereof.

10.4 Seller agrees to allow Buyer to ship the Railcars under Seller's CMIX reporting marks. In addition, Seller agrees to use its best efforts to arrange freight free shipment of the Railcars on CSX Transportation railroad lines under Tariff RPS 6007-J, Item 615 (B) (A) to Conrail in Pittsburgh, Pennsylvania. Buyer reserves the right to protest any freight charges incurred on CSX, however, said protest to CSX shall not affect the obligations of Buyer under this agreement.

## **11. RECORDS**

As soon as practicable after the Closing Date, Seller will furnish Buyer with those documents in the possession of Seller, if any, as Buyer may reasonably request and as are reasonably necessary for the administration of the Railcars, including, without limitation, mechanical records, maintenance records and car drawings.

## **12. RUNNING MARKS**

12.1 As soon as practicable following Closing, Seller shall furnish to Buyer the Universal Machine Language Equipment Register ("UMLER") information for each of the Railcars.

12.2 Upon receipt of the Railcars at Berwind Railway Service Company in Hollidaysburg, Pennsylvania, Buyer shall remark all the Railcars to delete the reporting marks then placed on the Railcars, and replace such identification with other appropriate identification, and Buyer shall make all appropriate filings with the ICC or the AAR to reflect such remarkings. Buyer shall notify Seller in writing within ten (10) days of receipt of the Railcars at Berwind Railway Service Company that the provisions of this paragraph were completed.

**13. BROKER'S COMMISSIONS**

Each Party hereto represents and warrants that it has not entered into any agreement with any broker, finder or other person or entity relating to the arranging of the sale of the Railcars and that no commission is due and payable by Seller or Buyer with respect to the transactions contemplated herein. Each party agrees to indemnify and hold the other party harmless from and against any claims for commissions arising out of the acts of such party and for expenses (including reasonable attorneys' and paralegal fees) and costs relating to such claims as a result of a breach of the warranty contained in this section.

**14. SURVIVAL OF REPRESENTATIONS AND WARRANTIES**

The representations and warranties herein contained shall be deemed re-made as of the Closing and shall survive the Closing. Those covenants that require action to be taken after Closing shall survive the Closing.

**15. SUCCESSORS AND ASSIGNS**

This Agreement shall inure to the benefit of and be binding upon the parties hereto, and their respective successors, administrators and assigns. This Agreement may be assignable, in whole or in part, by the Buyer, provided that Buyer's assignee has executed an assignment and assumption agreement satisfactory in form and substance to Seller, and that Buyer shall remain fully liable under this Agreement for the obligations assumed by its assignee.

**16. SEVERABILITY**

Any term, condition or provision of this Agreement which is, or is deemed to be, void, prohibited, or unenforceable in any jurisdiction is, as to such jurisdiction, severable herefrom, and is ineffective to the extent of such avoidance, prohibition and unenforceability without in any way invalidating the remaining terms, conditions and provisions hereof. Any such avoidance, prohibition and unenforceability in any jurisdiction does not invalidate or render unenforceable such term, condition or provision in any other jurisdiction.

**17. ENTIRE AGREEMENT**

This Agreement contains the entire agreement and understanding among the parties hereto with respect to the subject matter contained herein and supersedes all prior agreements, understandings and representations, oral or written. No modification, limitation or release of any of the terms and conditions contained herein shall be made except by mutual agreement to that effect in writing and signed by all the parties hereto.

**18. GOVERNING LAW**

THIS AGREEMENT SHALL BE DEEMED TO HAVE BEEN MADE IN THE STATE OF FLORIDA, SHALL BE CONSTRUED IN ACCORDANCE WITH, AND THE RIGHTS AND LIABILITIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, THE LAWS OF SUCH STATE, AND THIS AGREEMENT SHALL BE DEEMED IN ALL RESPECTS TO BE A CONTRACT OF SUCH STATE. **ANY ACTION FILED TO INTERPRET OR ENFORCE THIS AGREEMENT SHALL HAVE VENUE IN THE CIRCUIT COURT OF HERNANDO COUNTY, FLORIDA.**

**19. LEGAL FEES**

In any action to interpret or enforce this Agreement, the prevailing party shall be entitled to attorney's fees and costs, including attorney's fees and costs incurred in any appeal, bankruptcy or supplementary proceedings.

**20. NOTICES**

All communications under this Agreement shall be in writing and shall be deemed received three business days after being deposited in the United States mail or when actually received or personally delivered. The addresses for notice, unless changed by notice, are as follows:

If to Seller:           FLORIDA CRUSHED STONE COMPANY  
                              10311 Cement Plant Road  
                              Brooksville, FL 34601  
                              Attention: Tom Paulk

If to Buyer:            RAIL TRUSTS EQUIPMENT, INC.  
                              P.O. Box 50456  
                              Jacksonville Beach, FL 32250  
                              Attention: Keith A. Gibbs

**21. COUNTERPARTS**

This Agreement may be executed in any number of counterparts, but all of such counterparts together shall constitute one and the same agreement.

IN WITNESS WHEREOF, Seller and Buyer have executed this Agreement as of the day and year first hereinabove set forth.

"Seller"

FLORIDA CRUSHED STONE COMPANY

By: Joseph J. Piermatteo  
Joseph J. Piermatteo, Sr. Vice President

"Buyer"

RAIL TRUSTS EQUIPMENT, INC.

By: Keith A. Gibbs - President  
Keith Gibbs, President

STATE OF FLORIDA )  
COUNTY OF DUVAL ) SS:

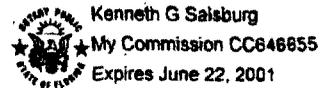
On this 25<sup>th</sup> day of August, 1998, before me personally appeared Keith A. Gibbs, to be personally known, who, being by me duly sworn, says that he is President of Rail Trusts Equipment, Inc., and that the foregoing Purchase and Sale Agreement was signed on behalf of said corporation by authority of its Board of Directors. Further, he acknowledged that the execution of the foregoing Purchase and Sale Agreement was the free act and deed of said corporation.

*Kenneth G Salsburg*  
Notary Public

Witness:

Signed and acknowledged in the presence of:

*Gayle Bradley*  
*[Signature]*



STATE OF FLORIDA )  
COUNTY OF Hernando ) SS:

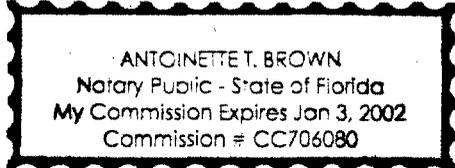
On this 29<sup>th</sup> day of June, 1998, before me personally appeared Joseph J. Piermatteo, to be personally known, who, being by me duly sworn, says that he is Senior Vice President of Florida Crushed Stone Company, and that the foregoing Purchase and Sale Agreement was signed on behalf of said corporation by authority of its Board of Directors. Further, he acknowledged that the execution of the foregoing Purchase and Sale Agreement was the free act and deed of said corporation.

*Antoinette T Brown*  
Notary Public

Witness:

Signed and acknowledged in the presence of:

\_\_\_\_\_  
\_\_\_\_\_



**EXHIBIT A**

**Bill of Sale**

IN CONSIDERATION of the receipt of the sum of One Dollar (\$1.00), in hand paid, and for other good and valuable consideration, Florida Crushed Stone Company, a Florida corporation with an address at 10311 Cement Plant Road, Brooksville, Florida 34601 ("Seller"), does hereby sell, assign, transfer and convey absolutely to RAIL TRUSTS EQUIPMENT, INC. ("Buyer"), all right, title, and interest in and to the railway rolling stock more specifically described on Schedule 1 attached hereto and made a part hereof (the "Railcars"), and all appurtenant rights relating thereto. The Railcars are sold pursuant to the terms of a Purchase and Sale Agreement dated as of June \_\_, 1998 (the "Agreement"). Reference is made to the Agreement for all terms and conditions regarding the sale of the Railcars. EXCEPT AS PROVIDED IN PARAGRAPH 7 OF THE PURCHASE AND SALE AGREEMENT, THE RAILCARS SHALL BE SOLD TO BUYER BY SELLER ON AN "AS-IS, WHERE-IS" BASIS, WITH ALL FAULTS, WITHOUT ANY WARRANTIES, EXPRESS OR IMPLIED, AS TO THE QUALITY, CONTENT, CONDITION OF THE RAILCARS, INCLUDING THE WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR USE OF THE EQUIPMENT AND NO WARRANTIES AGAINST PATENT INFRINGEMENT OR THE LIKE; IT BEING AGREED THAT ALL SUCH RISKS ARE TO BE BORNE BY THE BUYER AND THAT SELLER SHALL IN NO EVENT BE RESPONSIBLE FOR ANY DIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES (INCLUDING STRICT LIABILITY IN TORT). Seller warrants that upon payment of the purchase price and receipt of this Bill of Sale, Buyer shall receive good and valuable title to the Railcars free and clear of all claims, liens and encumbrances of any kind arising by, through or under Seller, except for current taxes, which may be due and payable, but not yet delinquent.

Dated this 29<sup>th</sup> day of June, 1998

Florida Crushed Stone Company

By: Joseph A. Piermatteo  
Joseph Piermatteo, Sr. Vice President

## SCHEDULE 1

**Car Description:** a quantity of 104 - 3850 cubic foot, 5 pocket, Rapid Discharge cars built in 1978-79 by Ortner Freight Car Company bearing the following CMIX reporting marks:

### CMIX

197801	197850	197891	197925
197803	197853	197892	197926
197806	197854	197894	197928
197809	197858	197895	197929
197811	197859	197898	197930
197813	197862	197899	197931
197816	197866	197900	197933
197822	197867	197901	197934
197824	197868	197903	197935
197825	197869	197904	197936
197826	197870	197906	197937
197827	197871	197907	197938
197828	197872	197908	197940
197830	197874	197909	197944
197833	197875	197911	197945
197834	197877	197912	197947
197837	197878	197913	197948
197839	197879	197914	197949
197840	197880	197915	197951
197841	197882	197916	197952
197842	197883	197918	197953
197843	197884	197920	197955
197844	197885	197921	197956
197845	197887	197922	197957
197846	197889	197923	197959
197848	197890	197924	197960

Vulcan Materials Company ("Vulcan") hereby acknowledges the assignment to NationsBanc Leasing Corporation ("NBLC") of that certain Railroad Car Lease Agreement dated December 8, 1995 as it pertains to Rider No. 7 & 8 dated June 15, 1998, together with all supplements, annexes, exhibits, and schedules thereto (collectively, the "Lease") between ITG, Inc., as Lessor, as assigned to The Faith2 Trust ("Faith2") and Vulcan, covering one hundred four (104) railcars (the "Equipment") and to induce NBLC to accept such assignment, agrees as follows:

1. Vulcan acknowledges that Faith2 has assigned to NBLC all of its right, title and interest to Lease, but that Faith2 has not assigned to NBLC (and NBLC has not assumed) any of Faith2's obligations under the Lease. Accordingly, Vulcan will continue to look to Faith2, rather than NBLC, for the performance of Faith2's obligations under the Lease. Vulcan agrees not to assert against NBLC any defense, setoff, recoupment, claim, or counterclaim which Vulcan may have against Faith2, whether arising under the Lease or otherwise.

2. Upon default by Faith2 under its agreement with NBLC (the Master Equipment Lease Agreement) dated August 6, 1998 being hereinafter referred to as the "Agreement", and if notified by NBLC, Vulcan agrees to pay the monthly rentals and all other amounts as provided for in the Lease directly to NBLC without offset or reduction.

3. Vulcan agrees that it shall not, without obtaining the prior written consent of NBLC: (i) terminate the Lease for any reason, (ii) modify or amend the Lease, (iii) assign or sublet its rights under the Lease or in the Equipment covered by such Lease or (iv) exercise any of its rights under the Lease which are exercisable only with the consent of Faith2.

4. Vulcan agrees to Faith2's assignment of the Lease to NBLC, notwithstanding any prohibition in the Lease, and confirms that Vulcan has not received notice of any other assignment, or notice of any interest in the leased Equipment other than Vulcan's, Faith2's, and NBLC's interests.

5. VULCAN UNDERSTANDS THAT NBLC MAKES NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS AS TO ANY MATTER WHATSOEVER, INCLUDING THE CONDITION OF THE EQUIPMENT, ITS MARKETABILITY, OR ITS FITNESS FOR ANY PARTICULAR PURPOSE.

6. Vulcan represents that it has no purchase or renewal option concerning the Equipment other than as stated in the Lease.

7. Vulcan agrees that, at the same time it sends to Faith2 any notice under the Lease, it will send a copy thereof to NBLC at the following address or at such other address as NBLC may specify from time to time in writing: 2059 Northlake Parkway, Tucker, Georgia 30084-4007.

8. By way of clarification, Vulcan hereby confirms and agrees that, in the event any car subject to the Lease is either destroyed or in a physical condition such that it cannot be economically repaired to be operated in railroad service (as set forth in Section 5 of the Railroad Car Lease Agreement), unless and until the "settlement value" therefor is paid to the Faith2 (or to NBLC, as applicable), Vulcan shall continue to be obligated to pay rent therefor for the full term of the Lease with respect thereto.

**In Witness Whereof**, Vulcan has caused this Lessee Acknowledgment and Agreement to be executed by its duly authorized officer.

Vulcan Materials Company

By: \_\_\_\_\_

*Richard R. Wright*

Printed Name: \_\_\_\_\_

RICHARD R. WRIGHT

Title: \_\_\_\_\_

VICS PRESIDENT - SALES

Date: \_\_\_\_\_

9-1-98

### Assignment of Purchase and Sale Agreement

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, **Rail Trust Equipment, Inc.** (herein, "Assignor") hereby assigns, transfers and conveys to **The Faith2 Trust** ("Assignee"), its successors and assigns, that certain Purchase and Sale Agreement (the "Purchase Agreement") dated June 25, 1998 between Assignor, as Buyer, and Florida Crushed Stone Company, as Seller ("Seller"), covering One hundred and four (104) rail cars as more fully described in the Purchase Agreement (the "Property") and all its rights and remedies thereunder, and the right either in Assignee's behalf or in Assignor's name to take all such proceedings, legal, equitable, or otherwise, that Assignor might take, save for this assignment.

Assignor warrants that the Purchase Agreement and all related instruments are genuine and enforceable; and Assignor will comply with all its warranties and other obligations to the Seller.

Assignor hereby agrees to indemnify, hold safe and harmless from and against and covenant to defend Assignee against any and all claims, costs, expenses, damages and all liabilities arising from or pertaining to the Purchase Agreement.

Assignor warrants and represents that the Purchase Agreement is in full force and effect and that Assignor has not assigned nor pledged, and hereby covenants that Assignor will not assign nor pledge, so long as this instrument of assignment shall remain in effect, the whole or any part of the rights hereby assigned, to anyone other than Assignee, its successors or assigns.

Assignee shall have none of Assignor's obligations under the Purchase Agreement, except that, provided no default has occurred under the terms of the Purchase Agreement, Assignee shall fund the Purchase Price as provided for in the Purchase Agreement.

All Assignor's right, title and interest assigned hereunder may be reassigned by Assignee and any subsequent assignee. It is expressly agreed that, anything herein contained to the contrary notwithstanding, Assignor's obligation under the Purchase Agreement may be performed by Assignee or any subsequent assignee without releasing Assignor therefrom, and Assignee shall not, by reason of this assignment, be obligated to perform any of Assignor's obligations under the Purchase Agreement or to file any claim or take any other action to collect or enforce any payment assigned hereunder.

Assignor hereby constitutes Assignee, its successors and assigns, its true and lawful attorney, irrevocable, with full power (in Assignor's name or otherwise) to ask, require, demand, receive, compound and give acquittance for any and all claims for money due and to become due under, or arising out of the Purchase Agreement, to endorse any checks or other instruments or orders in connection therewith, to file any claims or take any action or institute any proceedings which to Assignee or any subsequent assignee seem necessary or advisable, all without affecting Assignor's liability in any manner whatsoever.

Assignor acknowledges this Assignment with respect to the Purchase Agreement and Property is the only validly existing and enforceable assignment thereof, hereby replacing any and all other assignments thereof.

Dated this 28<sup>th</sup> day of August, 1998.

**Witness**, our hand and seal.

Rail Trust Equipment, Inc. (Assignor)

The Faith2 Trust (Assignee)

By: Keith A. Gibbs

By: Keith A. Gibbs

Printed Name: Keith A. Gibbs

Printed Name: Keith A. Gibbs

Title: President

Title: Trustee