

REPUBLIC FINANCIAL CORPORATION

Date 9/14/87
Fee \$ 10.00
ICC Washington, D. C.

September 3, 1987

Interstate Commerce Commission
Office of Secretary - ~~Rail Division~~ *Records*
ICC Building - Room 2303
12th and Constitution Avenue, N. W.
Washington, DC 20423
Attention: Ms. Mildred Lee

RECORDATION NO. 15308 Form 1425

SEP 14 1987 -3 05 PM

INTERSTATE COMMERCE COMMISSION

Dear Ms. Lee:

With this transmittal letter we are requesting the attached Equipment Lease, Schedule A - Description of Equipment, and Assignment Letter be recorded with the ICC-Rail Division as primary documents and be cross-indexed under the names of ^{Party} all three parties. Enclosed is our \$10.00 check for the recordation fee.

The parties to the lease agreement are:

- LESSEE: The Monongahela Railway Company
Suite 680, Commerce Court, Four Station Square
Pittsburgh, Pennsylvania 15219-1199
- LESSOR: Republic Financial Corporation
2015 South Dayton Street
Denver, Colorado 80231
- ASSIGNEE: First National Bank of Louisville
101 South Fifth Street
Louisville, Kentucky 40233

DESCRIPTION OF EQUIPMENT:

Five (5) 2,000 HP GP-38 Locomotives with
Dynamic Braking and Ballast
M.R.C. Identification (Road) Numbers: 2000,
2001, 2002, 2003, 2004.
Serial Numbers: 35074, 35075, 35076, 35077,
35078

After recording, please return the original documents to:

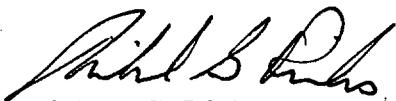
Republic Financial Corporation
2015 South Dayton Street
Denver, Colorado 80231
Attn.: Ann N. Martin

ICC - Rail Division
September 3, 1987
Page Two

The five (5) locomotives numbered 2000-2004 are being leased to The Monongahela Railway Company by Republic Financial Corporation with assignment to First National Bank of Louisville. The locomotives are used by Monongahela Railway on their 140 miles of track in Pennsylvania and West Virginia.

Sincerely,

REPUBLIC FINANCIAL CORPORATION



Michael G. Ricks
Vice President

MGR:anm

Enclosure

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

9/15/87

Republic Financial Corporation
2015 South Dayton Street
Denver, Colorado 80231
Attn: Ann N. Martin

Dear Sir:

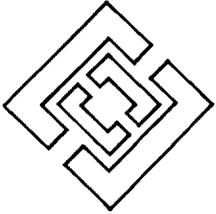
The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 9/14/87 at 3:05pm, and assigned recordation number(s). 15308.

Sincerely yours,

Noreta R. McGee
Secretary

Enclosure(s)

SE-30
(7/79)



REPUBLIC FINANCIAL CORPORATION

1 5303

RECORDATION NO. Filed 142b

September 9, 1987

SEP 14 1987 -3 05 PM

INTERSTATE COMMERCE COMMISSION

State of Colorado, County of Arapahoe, I, Jeanette Hillhouse, a Notary Public in and for said state, do certify that on September 9, 1987, I carefully compared with the original the attached facsimiles of the Master Agreement for Leases, Equipment Lease and Assignment Letter and the facsimiles I now hold in my possession. They are complete, full, true, and exact facsimiles of the document they purport to reproduce.

(Seal).

Jeanette Hillhouse
Notary Public

My Commission Expires: Sept. 20, 1989

MASTER AGREEMENT FOR LEASES

SEP 14 1987 -3 05 PM

INTERSTATE COMMERCE COMMISSION

Lessee No: M-10502

Date of Master Agreement: August 28, 1987

This master lease agreement (this "Agreement") is made by and between **REPUBLIC FINANCIAL CORPORATION** (the "Lessor"), a Colorado corporation, which has its principal place of business at 2015 South Dayton Street, in unincorporated Arapahoe County, Denver, Colorado (80231) and its mailing address as P. O. Box 22564, Denver, Colorado 80222, and **THE MONONGAHELA RAILWAY COMPANY** (the "Lessee"), a corporation, which has its principal place of business at Commerce Court, Four Station Square, in the City of Pittsburgh, County of Alleghany, and State of Pennsylvania and its mailing address as Suite 680, Commerce Court, Four Station Square, Pittsburgh, Pennsylvania 15219-1199.

Lessor is in the business of leasing personal property to lessees for business purposes. From time to time and without being under any obligation to do so, Lessor and Lessee may agree upon the personal property, the consideration, the term, and other conditions with respect to which Lessor is willing to lease such personal property to Lessee. Lessor and Lessee desire to enter into an agreement setting forth certain provisions which they have agreed will be common to each lease hereafter entered into between them, if and only if such agreement is incorporated by reference into such lease and except as such lease specifically provides to the contrary.

For and in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Lessor and Lessee agree, covenant, represent, and warrant, as is applicable, as follows:

(a) Lessee represents and warrants to Lessor that Lessee is a corporation duly organized, validly existing, and in good standing under the laws of the State of Pennsylvania and West Virginia and has full power and authority to own its own properties, carry on its business as is now being conducted, and to enter into this Agreement and to perform or otherwise discharge its obligations hereunder, without obtaining the approval or consent of any shareholders, directors, partners, or creditors, which have not already approved or consented hereto, or without obtaining the authorization, order, approval, or consent of, or filing any document with, any governmental authority or other person, entity, or body.

(b) Lessee represents and warrants to Lessor that Lessee's entering into this Agreement does not, and Lessee's entering into any lease pursuant hereto will not, violate any indenture, agreement, other document or instrument, court order, judgment, or decree, rule, regulation, or law binding on Lessee or applicable to this Agreement.

(c) Lessee represents and warrants to Lessor that there are no actions, proceedings, or investigations pending or threatened against or involving Lessee or any of its properties which individually or collectively, materially impair Lessee's ability to perform fully and timely all of its obligations under this Agreement.

(d) Lessee shall indemnify and hold Lessor harmless from all claims, liabilities, obligations, damages, costs, and expenses, including attorney's fees, arising out of or pertaining to any misrepresentation or breach of any warranty by Lessee contained in the foregoing subparagraphs.

(e) Except as is provided for in the foregoing subparagraphs, this Agreement is not executory in nature; and, as a result of this Agreement, neither Lessor nor Lessee have any obligations of any nature whatsoever to negotiate or to enter into any such lease (individually, an "Equipment Lease" and, if more than one, the "Equipment Leases") whereby Lessor leases personal property to Lessee upon, in part, the provisions set forth in this Agreement and incorporated therein by reference.

(f) All representations, warranties, and executory and other liabilities and obligations of Lessor and Lessee arising under, or pertaining to, an Equipment Lease shall be as is set forth in such Equipment Lease (as this Agreement is incorporated therein and as the provisions thereof provide) and not be a direct application of the provisions of this Agreement.

(g) Each Equipment Lease is a separate and distinct agreement between Lessor and Lessee and is independent of every other Equipment Lease, without a default under one constituting a default under another (although the then existing facts or circumstances

constituting a default under one may likewise constitute a default under another) and without any guarantees or collateral with respect to one constituting guarantees or collateral with respect to another, unless specifically provided for otherwise therein or in the document, agreement, or instrument creating such guarantees or to the encumbrance on such collateral.

(h) Any amendment or termination of this Agreement shall be ineffective to amend or terminate any Equipment Lease in existence at the time thereof.

(i) If any provisions of this Agreement, as incorporated by reference in an Equipment Lease, conflict or are inconsistent with any other provisions of such Equipment Lease, such other provisions of such Equipment Lease shall control.

(j) This Agreement contains the entire agreement and understanding between Lessor and Lessee and supersedes all prior understandings, agreements, warranties, and representations, whether written or oral, by Lessor or Lessee, with respect to the subject hereof; the warranties, representations, indemnities, and agreements made by Lessor or Lessee in this Agreement shall be, and shall be deemed to be, continuing in nature and shall survive the termination of this Agreement with respect to each Equipment Lease, without regard as to whether such Equipment Lease has expired, has been terminated, has been accepted or rejected in any bankruptcy proceeding, or has been otherwise affected by action or circumstance, including the subsequent agreement of Lessor and Lessee; whether express or implied, an assent to, or waiver of, any provisions of this Agreement shall not be, or be deemed to be, an assent to, or waiver of, any succeeding or other breach; this Agreement cannot be amended except by a writing signed by Lessor and Lessee; this Agreement shall be construed in accordance with, and be governed by, the laws of the State of Colorado; and, this Agreement shall be binding upon, and enure to the benefit of, Lessor, Lessee, and their respective heirs, devisees, personal representatives, successors, and assigns.

(k) Subject to the foregoing, each Equipment Lease shall contain the following provisions by virtue of this Agreement being incorporated therein by reference, viz:

1. NO WARRANTIES. LESSOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING THE TITLE, CONDITION, DESIGN, VALUE, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, OR OTHER MATTER CONCERNING THE EQUIPMENT. LESSEE HEREBY WAIVES ANY CLAIM IT MIGHT HAVE AGAINST LESSOR FOR ANY LIABILITY, LOSS, DAMAGE, OR EXPENSE CAUSED BY THE EQUIPMENT OR BY ANY DEFECT THEREIN, THE USE OR MAINTENANCE THEREOF, OR THE SERVICING OR ADJUSTMENT THERETO. AS TO LESSOR, LESSEE LEASES THE EQUIPMENT "AS IS". Lessor does not assume any liability, and does not make any warranty or representation, with respect to the treatment by Lessee of this lease, the Equipment, or the rental or other payments hereunder for financial statement or tax purposes. Lessee is advised to consult an attorney or accountant with respect thereto.

2. CLAIMS. Lessee acknowledges that Lessor is not a dealer in equipment of any kind, including the Equipment, that the Equipment is of a type, style, size, design, capacity, manufacture, and cost selected solely by Lessee, and that the Supplier from whom Lessor is to purchase the Equipment was selected solely by Lessee. If the Equipment is not timely delivered or properly installed, is not or does not operate as represented or warranted by the Supplier or the manufacturer thereof, or is unsatisfactory for any reason or if Lessee suffers any damage due to the failure of the Supplier to deliver the Equipment within ninety (90) days of the Commitment Date, Lessor shall not be liable with respect thereto and Lessee shall make all claims on account thereof only against the Supplier or the manufacturer of the Equipment; and, under all such circumstances, Lessee shall not be relieved from any of its obligations hereunder and Lessee shall timely pay all rent and perform all of its other obligations hereunder when due in accordance with the provisions hereof. During the term of this lease and so long as Lessee is not in default under this lease, but not otherwise, Lessor hereby assigns to Lessee all warranties, whether express or implied, now or hereafter made to Lessor by the Supplier or by any manufacturer of the Equipment with respect to the Equipment, except those pertaining to title, right to possession, and freedom from liens and encumbrances. At its sole instigation and expense, Lessee shall prosecute all claims or actions with respect to such warranties assigned to it; and, Lessor shall not have any obligation to make or prosecute any claim or action with respect to any warranty. In the prosecution of such claims or actions, the Lessee shall not seek or accept any recovery other than (a) a repair of the Equipment, (b) with the prior consent of the Lessor and upon conditions acceptable to Lessor, the modification or replacement of the Equipment, (c) if Lessee is not in default under this lease, cash or a cash equivalent payable jointly to Lessor and Lessee, which shall be used to repair or, upon conditions acceptable to Lessor, to modify or replace the Equipment, or (d) if Lessee is in default

under this lease and has obtained the continued assignment of such warranties from Lessor, cash or a cash equivalent payable to Lessor which shall be applied, as determined by Lessor, with respect to Lessee's obligations hereunder. Lessee shall be liable to Lessor to pay the full amount by which any such claim or a judgment in such an action is decreased because of any action or inaction by, or circumstance of, Lessee and such amount shall be applied as aforesaid. If Lessor is joined in any such claim or action, Lessee shall indemnify Lessor with respect to all costs and expenses, including attorney's fees, incurred by Lessor with respect thereto.

3. NOT AGENTS OF LESSOR. Lessee acknowledges that the Supplier, the manufacturer of the Equipment, and their respective salesmen and agents are not agents of Lessor and are not authorized to waive or alter any provision of this lease. Lessee shall not be relieved from any of its obligations hereunder and Lessee shall timely pay all rent and perform all of its other obligations hereunder when due in accordance with the provisions hereof, notwithstanding any representation to the contrary by the Supplier, the manufacturer of the Equipment, or their respective salesmen or agents.

4. NON-CANCELLABLE LEASE. This lease cannot be cancelled or terminated except as is expressly provided herein.

5. ORDERING EQUIPMENT. Lessor agrees to order the Equipment from the Supplier upon the terms and conditions of Lessor's purchase order. Lessee agrees to arrange for the delivery of the Equipment, including any special packing or handling of the Equipment, required during shipment, so that it can be accepted in accordance with paragraph 6 hereof within ninety (90) days after the date on which Lessor accepts Lessee's offer to enter into this lease (which date Lessor is authorized to fill in wherever applicable as the "Commitment Date"). Lessee hereby authorizes Lessor to insert in this lease the serial numbers and other identifying data and descriptions of the Equipment when determined by Lessor.

6. LESSEE'S STATEMENT. Upon the receipt of an Item of the Equipment, Lessee shall thoroughly inspect and, to the extent possible, test the same. If, within five (5) business days after Lessee has received an Item of the Equipment, Lessee has not given Lessor written notice that such item is non-conforming or is defective or that Lessee otherwise has a proper objection to such item, Lessee shall be deemed to have (a) acknowledged receipt of the said item in good condition and repair, and (b) accepted the said item as satisfactory in all respects for the purposes of this lease. If Lessor so requests, Lessee shall furnish Lessor a written statement (i) setting forth the matters stated in "(a)" and "(b)", and (ii) approving the invoice for the said item, and (iii) requesting Lessor to pay the Supplier the purchase price thereof.

7. TERMINATION BY LESSOR. Lessor shall have the exclusive option to terminate this lease and Lessor's obligations hereunder if, within ninety (90) days after Commitment Date, the Equipment has not been delivered to Lessee, or Lessee has not accepted the Equipment, including each item constituting a part thereof, as is provided in paragraph 6 above. The option may be exercised by giving Lessee written notice of such termination pursuant to this paragraph any time within thirty (30) business days after the expiration of said ninety (90) day period.

8. TERM. The term of this lease commences upon the date on which Lessor issues its purchase order for the Equipment to the Supplier, and ends upon the expiration of the number of months specified herein under "Active Lease Term: Number of Months" after the occurrence of the "Rental Commencement Date". Lessee hereby authorizes Lessor to insert, wherever applicable in this lease, the "Rental Commencement Date" as being the date upon which the Equipment (or any item thereof) is delivered to Lessee or any later date selected by Lessor. A month shall be deemed to commence on the day of the calendar month upon which the "Rental Commencement Date" occurs and to end the day before the same day of the next succeeding calendar month.

9. RENT. During the term of this lease, Lessee agrees to pay rent equal to the "Rental Payment Amount:Total" multiplied by the "Number of Rental Payments" as indicated herein. Unless otherwise specifically provided herein, the first rent payment shall be due on the "Rental Commencement Date" and subsequent rent payments shall be due in advance on the same day semi-annually thereafter unless otherwise stated in Equipment Lease. Rent shall be due whether or not Lessee has received any notice that such payments are due. All rent shall be paid to Lessor at its principal place of business set forth above or as otherwise directed by Lessor in writing. Lessee hereby waives any right to receive interest on any deposit or payment of advance rents which may be required hereunder and Lessor is not obligated to escrow and may commingle all such advance rents.

The liability for any rental payment to become due hereunder shall not be, or be deemed to be, incurred under this lease until the date upon which it is due or until the default of Lessee under this lease, whichever shall first in time occur. Any payment received from Lessee may be applied by Lessor at any time against any obligation due and owing by Lessee under this lease, in Lessor's sole discretion, notwithstanding any statement appearing on or referred to in any remittance from Lessee or any prior application of such payment. If any bankruptcy proceedings are instigated by or against Lessee, as the debtor, under the U. S. Bankruptcy Code within ninety (90) days after the receipt by Lessor of any such payment, such payment shall be deemed applicable to unpaid obligations then due hereunder, in the inverse order of maturity.

10. CHOICE-OF-LAW. THIS LEASE WILL BE CONSIDERED MADE AND ACCEPTED IN ARAPAHOE COUNTY, COLORADO WHERE LESSOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED. ALL TRANSACTIONS, RIGHTS AND OBLIGATIONS UNDER THIS LEASE (EXCEPT FOR LOCAL RECORDING STATUTES) WILL BE INTERPRETED AND GOVERNED BY COLORADO LAW AS TO THEIR VALIDITY, ENFORCEMENT, AND EFFECT.

11. EXPIRATION OF LEASE TERM. At the expiration of the "Lease Term", Lessee shall promptly purchase the Equipment from the Lessor as set out in the Residual Purchase Agreement which is construed to be a part of this lease.

12. LOCATION; LESSOR'S INSPECTION; LABELS. The Equipment shall be delivered and thereafter kept at the location specified herein, unless otherwise stated in Equipment Lease, or, if none is specified, at Lessee's principal place of business set forth herein, and shall not be removed therefrom without Lessor's prior written consent. Lessor shall have the right to inspect the Equipment at any reasonable time. If Lessor supplies Lessee with labels stating that the Equipment is owned by Lessor, Lessee shall affix and keep same in a prominent place on each item of the Equipment.

13. INSTALLATION, UPKEEP AND USE. Lessor shall not have any obligation to install, erect, test, adjust, maintain, service, repair, or replace the Equipment, or any part thereof. At its sole expense, Lessee shall keep, use, operate, maintain, repair, and replace the Equipment, and every part thereof (furnishing all energy, labor, parts, mechanisms, devices, software, and technology therefor) so that, at all times, the Equipment and every part thereof (a) is in good working order, condition, and repair, (b) is kept, used, operated, maintained, and replaced in a careful manner, in accordance with all requirements, instructions, and recommendations of the manufacturer of the Equipment and the Supplier, and by competent and duly qualified personnel, (c) is, and is kept, used, operated, maintained, repaired, and replaced, in compliance with all requirements and recommendations of all insurance policies to be maintained pursuant hereto and of all of the underwriters of such policies, and (d) is, and is kept, used, operated, maintained, repaired, and replaced, in compliance with all laws, ordinances, rules, regulations, or requirements of every governmental authority having jurisdiction over the same. At its sole expense, Lessee shall keep and maintain current all instructions, manuals, logs, and other similar items pertaining to the Equipment and the use, operation, maintenance, and repair thereof, as required or suggested by any manufacturer of the Equipment, the Supplier, any insurance carrier or underwriter, any servicing company, or any governmental authority.

14. ALTERATIONS. Except as otherwise provided, Lessee shall not make any substantial alterations, additions, or improvements to the Equipment without the prior written consent of the Lessor. Whether made with or without such consent, all additions and improvements made to the Equipment shall be made at Lessee's sole risk and expense, shall immediately belong, and be conveyed by Lessee, by a warranty bill of sale, to Lessor free of all liens, encumbrances, security interests, and restrictions (except for those granted by Lessor and this lease) and shall not be removed or otherwise disposed of without Lessor's consent.

15. SURRENDER. Upon notice to Lessee from Lessor pursuant to paragraph 23(a)(ii) herein, at its sole expense Lessee shall deliver the Equipment in good working order, condition, and repair and otherwise in conformance with paragraph 13 herein, to Lessor by immediately delivering the Equipment, appropriately packed and ready for shipment, to such place or on board such carrier with freight prepaid, as Lessor directs. In addition to and together with the Equipment, without cost to or compensation by the Lessor, Lessee shall assign, convey, and deliver to Lessor all use, operation, maintenance, and repair instructions, manuals, logs, and other similar items pertaining to the Equipment which were kept or were supposed to have been kept pursuant hereto.

If requested by Lessor, Lessee shall, prior to returning any item of Equipment to Lessor, provide suitable and adequate storage space at the Location of Equipment, or such location to which such item may have been moved with the written consent of Lessor, for a period of up to ninety (90) days during which time Lessee shall remain

liable for all its liabilities and obligations hereunder with respect thereto, except the obligation to pay rent on account thereof, and shall provide Lessor with reasonable access thereto.

16. **LOSS OR DAMAGE.** During the term of this lease as defined in Paragraph 8 hereof, Lessee shall bear all risks of loss, theft, damage, or destruction of the Equipment, in whole or in part, (the "Loss or Damage") from any cause whatsoever. Any Loss or Damage shall not relieve Lessee of its liabilities and obligations under this lease or delay the time for the payment or performance thereof, including, but not by way of limitation, Lessee's liability to pay all rents and other amounts payable hereunder in full when due in accordance with the provisions hereof. Upon any Loss or Damage, Lessee shall immediately notify Lessor in writing of the date, circumstances, nature, and extent of such Loss or Damage. Notwithstanding any provision to the contrary herein, upon such Loss or Damage, at its sole expense Lessee shall, at the option of Lessor, (a)(i) repair and replace the Equipment as necessary to restore it to good working order, condition, and repair and (ii) continue this lease without interruption or abatement of rent, (b)(i) replace the Equipment or the part thereof with respect to which the Loss or Damage occurred with equipment of a like kind, of at least equal value, and in good working order, condition, and repair, (ii) convey, or cause the conveyance of, such replacement equipment to Lessor by a warranty bill of sale vesting good title thereto in Lessor free and clear of all liens, encumbrances, security interests, and restrictions (except for those granted by Lessor and this lease, and (iii) continue this lease without interruption or abatement of rent, or (c) pay to Lessor the total of the following amounts: (i) the total rents and other amounts due from Lessee pursuant to the provisions hereof at the time of such payment, (ii) the present value (calculated using a rate of eight percent (8%) per annum) of all rents and other amounts payable at any time by Lessee under this lease less those which have been paid and those included in the foregoing section "(c)", "(i)", and "(iii)", ~~the replacement value of the Equipment which shall be equal to ten percent (10%) of the total rent described in paragraph 9 hereof unless a schedule of stipulated loss values is attached as a schedule to this lease in which event such replacement value shall be the applicable amount set forth therein~~ *GR* *RS* *WR* Upon Lessor's receipt of the payment described in the foregoing section "(c)", Lessor shall assign to Lessee or any insurer paying all or part of such payment (or to any combination thereof) all of Lessor's interest in the Equipment (for salvage purposes only) in its then current condition and location, as is, without warranties of any nature whatsoever, either express or implied; whereupon, this lease shall terminate. Lessor does not, and shall not be deemed to have, any obligation to investigate, make, or prosecute any claim with respect to any Loss or Damage.

17. **INSURANCE.** During the term of this lease, Lessee may, in its discretion, maintain property damage insurance or be self-insured with regard to the Equipment as it deems appropriate, but shall maintain bodily injury and property damage liability insurance in such amounts as is customary for companies similarly situated in the same industry. All insurance shall be with companies and in a form satisfactory to Lessor, and Lessee shall deliver copies of the policies of such insurance to Lessor, and shall require that the carriers of all such insurance shall give Lessor not less than thirty (30) days prior written notice of any change or cancellation.

If Lessor transfers, assigns, or grants a security interest in the Equipment or this lease, or any interest therein, Lessee shall cause the coverage of such insurance to be extended to such transferee, assignee, or grantee.

18. **LIENS; TAXES.** Lessee shall keep the Equipment free and clear of all levies, liens, encumbrances, security interests, and restrictions except for those granted by Lessor and this lease. Lessee shall, in the manner and at the times directed by Lessor, (a) make and file all declarations and returns in connection with all charges and taxes (local, state and federal) which are now or may hereafter be imposed upon or measured by the ownership, leasing, rental, sale, purchase, possession, or use of the Equipment, excluding however all taxes on or measured by Lessor's net income, and (b) pay all such charges and taxes. Upon request of Lessor, Lessee shall furnish Lessor with copies of any filings made or any governmental invoices received by Lessee subsequent to the date hereof.

19. **LESSOR'S RIGHT TO PAY OR PERFORM.** If Lessee fails to provide or maintain such insurance, to keep the Equipment free of such levies, liens, encumbrances, security interests, and restrictions, to pay such charges and taxes, or otherwise to pay or perform any of its liabilities or obligations under this lease, as and when provided for hereunder, then with or without notice to Lessee, Lessor shall have the right, but not the obligation, to pay or perform any or all of the liabilities or obligations of Lessee under this lease. Any such payment or performance by Lessor shall not obligate Lessor to undertake any other or further payment or performance. Lessee hereby releases and discharges Lessor from any and all liabilities and obligations (including those arising in

negligence or from intentional acts) which pertain to any such payment or performance undertaken by Lessor or any failure to make or complete any such undertaking. If Lessor pays or performs any such liabilities or obligations (including, but not by way of limitation, the payment of rent hereunder), Lessee shall pay Lessor the amount of all sums expended and liabilities incurred by Lessor with respect thereto, plus interest on such amount at the maximum rate allowed by law, from the date each sum was expended or liability incurred through the date of such payment to Lessor. Lessee shall pay Lessor such amount and accrued interest thereon in full within two (2) business days after being invoiced for the same by Lessor.

20. INDEMNITY. Lessee hereby assumes the liability for, and agrees to indemnify, defend, and hold harmless Lessor, its directors, officers, agents, employees, successors, and assigns, and their respective properties from and against, any and all liabilities, losses, damages, penalties, claims, suits, costs, and expenses of every nature whatsoever, including court costs and attorney's fees, (whether or not also indemnified against by any other person) arising out of, or pertaining to, this lease or the actual or alleged manufacture, purchase, ownership, transportation, delivery, lease, possession, storage, use, operation, condition, maintenance, repair, alteration, addition to, improvement, return, or disposition of the Equipment by Lessor, its successors or assigns, or Lessee, including, without limitation, any claim alleging latent and other defects, whether or not discovered or discoverable by Lessor, its successors or assigns, or Lessee; any claim for patent, trademark or copyright infringement; and any claim arising out of strict liability in tort. Lessee agrees to promptly give Lessor notice of any matter hereby indemnified against upon learning thereof, Lessor reserves the right to defend any such matters brought against Lessor with counsel of its own choice .

21. ASSIGNMENT; OFFSET. Without Lessor's prior written consent, Lessee shall not (a) assign, transfer, pledge, hypothecate or otherwise dispose of this lease, the Equipment, or any interest herein or therein, or (b) unless otherwise provided for in an Equipment Lease, sublet or lend the Equipment or permit it to be used by anyone other than Lessee or Lessee's employees. For the purposes of this paragraph, Lessee shall be deemed to have assigned this lease if, at any time hereafter, the ownership of over fifty percent (50%) of the outstanding voting securities or other ownership interests of Lessee or of the assets of Lessee is changed.

If, with or without the consent of Lessor, Lessee assigns, encumbers, or otherwise disposes of all or any of Lessee's right, title, or interest in or to this lease or the Equipment, then, notwithstanding the fact that such assignment, encumbrance, or disposal may be ineffective or voidable, (a) by accepting such assignment, transfer, or other disposition, the recipient thereof shall have, and shall be deemed to have, assumed all of the liabilities and obligations of Lessee hereunder, provided that such assumption shall not relieve Lessee of its primary responsibility for such liabilities and obligations or relieve any guarantor of Lessee's liabilities or obligations hereunder of any of its liabilities and obligations as a guarantor, (b) any such assignment, encumbrance, or other disposition shall be, and be deemed to be, made subject to all of the rights of Lessor and any assignee or mortgagee of Lessor under, in, or to this lease or in or to the Equipment under, in, or to this lease or in or whether arising under this lease, any document or instrument signed or delivered in connection herewith, or otherwise, and (c) all consideration of every nature whatsoever received by or paid by or for the benefit of Lessee, whether or not actually paid or received, with respect to such assignment shall be the sole property of Lessor, shall be paid in full to Lessor upon such assignment, and shall be deemed to be rent payable to Lessor in addition to all other rents or amounts payable to Lessor hereunder.

Lessor may assign this lease or mortgage the Equipment, or both, in whole or in part, without notice to Lessee. If Lessee is given notice of such assignment, it agrees to acknowledge receipt thereof in writing and to pay to such assignee the rents and other sums so assigned without defense, offset, or counterclaim whatsoever and such assignee shall not be obligated to perform any of the obligations of Lessor under this lease or otherwise. Each such assignee shall have all of the rights, but none of the obligations, of Lessor under this lease. Lessee shall not assert against such assignee or mortgagee any defense, counterclaim, or offset that Lessee may have against Lessor. Provided, if Republic Financial Corporation ("Republic") assigns its interest as lessor under this lease and its assignee specifically assumes, in writing, Republic's liabilities and obligations under this lease, there shall be a novation and Republic shall be released and discharged from all such liabilities and obligations; otherwise, Republic shall remain liable for such liabilities and obligations. Subject to the foregoing, this lease shall be binding upon, and enure to the benefit of, Lessor, Lessee, and their respective heirs, devisees, personal representatives, successors and assigns. Lessee acknowledges and agrees that it does not have any claims or actions pending or threatened against Lessor, that Lessor is not in default under any agreement of any nature whatsoever between Lessor and Lessee, that any such assignee or mortgagee may rely on the foregoing as of the date of this lease,

and that, upon the request of Lessor or any such assignee or mortgagee, Lessee will either confirm or deny with specificity the foregoing.

22. SERVICE CHARGE AND INTEREST. If Lessee fails to pay when due any rent or other amount payable hereunder by Lessee, simultaneously with the payment of such rent or amount Lessee shall pay to Lessor a service charge of five percent (5%) of such rent or amount, but not less than \$25.00, plus interest on such rent or other amount from its due date until paid by Lessee at the maximum rate allowed by law.

23. DEFAULT. (a) The Lessee shall be in default under this lease upon the occurrence of any one or more of the following events or circumstances, viz: The failure of Lessee to pay when due any rent or other amount payable by Lessee hereunder; the failure of Lessee to perform timely any of its other obligations or to observe any of its covenants or warranties hereunder; if any representation or warranty made by Lessee herein or in any financial statement, document, or certificate furnished Lessor in connection herewith shall prove to be incorrect at any time; the transfer of a substantial portion of the Lessee's assets not in the ordinary course of its business, including in connection with a dissolution, liquidation, reorganization, merger, or consolidation of Lessee; if Lessee or any guarantor of any of Lessee's liabilities or obligations under this lease is a corporation, the dissolution, liquidation, or termination of such corporation or, unless the prior written consent of Lessor is obtained, the transfer of over fifty percent (50%) of the voting securities of such corporation within any thirteen (13) calendar month period; unless Lessor is notified in writing thereof at least thirty (30) days in advance, any change of the name of Lessee or of any guarantor of any of Lessee's liabilities or obligations under this lease; the execution or levying upon or the attachment or garnishment by any creditor or alleged creditor of a substantial portion of the property of the Lessee, of this lease or any interest herein, or of the Equipment or any interest therein or part thereof; the insolvency of Lessee or of any guarantor of any of Lessee's liabilities or obligations under this lease; the cessation of Lessee doing business as a going concern; the failure of Lessee generally to pay its debts as they become due; the appointment of a trustee or receiver for Lessee or for any guarantor of any of Lessee's liabilities or obligations under this lease, for a substantial part of the property of either of them, or for the Equipment; the making of any assignment for the benefit of creditors, whether voluntary or involuntary, by Lessee or any guarantor of any of Lessee's liabilities or obligations under this lease; or, the filing of any petition by or against Lessee or any guarantor of any of Lessee's liabilities or obligations under this lease, as the debtor, under the U. S. Bankruptcy Code or any other federal or State laws providing a debtor relief with respect to its creditors. At any time Lessee is in default under this lease, Lessor shall have the right to exercise any one or more of the following remedies:

(i) Lessor may terminate this lease, but such termination shall not release or discharge Lessee from or diminish any of Lessee's liabilities and obligations under this lease;

(ii) Lessor may notify Lessee to deliver or to store and then deliver the Equipment pursuant to paragraph 15 herein and Lessee shall do so;

(iii) Without terminating or causing the termination of this lease, Lessor may take possession of any or all items of the Equipment, wherever same may be located, without demand or notice, without any court order or other process of law and without liability to Lessee or any other person for any damages occasioned by such taking of possession.

(iv) Without regard as to whether this lease has been terminated, with or without giving Lessee or any other person notice, in a public or private proceeding at any location and with or without advertisement, with or without repairing, rebuilding, upgrading, or otherwise preparing the Equipment for a sale, lease, or other disposition, for consideration, and upon terms and conditions, all as Lessor determines in its sole and absolute discretion, Lessor shall have the right, but not the obligation, (1) to sell or otherwise dispose of all or any part of the Equipment and (2) to lease all or any part of the Equipment, free and clear of the bailment created by this lease and of all right, title, and interest of Lessee therein; and, except as is specifically provided for herein, Lessee shall have no right, title or interest in or to any considerations pertaining to any such sale, lease or other disposition;

(v) Without regard as to whether this lease has been terminated, Lessor has notified Lessee to deliver to Lessor or to store the Equipment pursuant hereto, Lessee has delivered to Lessor or is so storing the Equipment, or Lessor has taken possession or sold, leased, or otherwise disposed of the Equipment, Lessor shall have the right, but not the obligation, to notify Lessee to pay to Lessor, and Lessee shall thereupon pay Lessor; (1) the total rents and other amounts due from Lessee pursuant to the provisions hereof

at the time of such payment in full, and (2) the then present value [calculated at the rate of eight percent (8%) per annum] of the total rents and other amounts payable at any time by Lessee under this lease, other than the amounts thereof which have been paid or that are included in the foregoing section "(1)"; provided, all money received by Lessor pursuant to this paragraph shall be credited first to the amounts described in the foregoing section "(1)", then to the amounts described in the foregoing section "(2)"; and provided, further, upon any sale, lease, or other disposition of the Equipment by Lessor pursuant to the foregoing paragraph "(iv)", the net proceeds therefrom (ie. after deducting from the gross sale price or the present value of the aggregate periodic rentals calculated at the rate of eight percent (8%) per annum all costs and expenses associated therewith, including, but not by way of limitation, all costs of repairing, rebuilding, upgrading or otherwise preparing the Equipment therefor, all costs of retaking, holding, and selling, leasing, or otherwise disposing of the Equipment, and all attorney's fees and court costs concerning the same) shall be paid to Lessee.

(vi) Without regard as to whether this lease has been terminated, Lessor shall have the right, but not the obligation, to enforce specifically the performance by the Lessee of all of the obligations of Lessee under this lease; and

(vii) Lessor may pursue any other remedy at law or in equity.

(b) A termination hereunder shall occur only upon written notice by Lessor to Lessee and only with respect to such item or items of Equipment as Lessor specifically elects to terminate in such notice. Except as to such item or items with respect to which there is a termination, this lease shall continue in full force and effect and Lessee shall be obligated to perform all duties and to pay all rent and other amounts required under this lease.

(c) No right or remedy herein conferred upon or reserved to Lessor is exclusive of any other right or remedy herein or by law or equity provided or permitted; but each shall be cumulative of every other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise, and may be enforced concurrently therewith or from time to time.

24. LESSOR'S EXPENSES. Lessee shall pay Lessor all costs and expenses, including reasonable attorney's fees, the fees of collection agencies, and other expenses such as telephone and telegraph charges, incurred by Lessor in enforcing any of the terms, conditions or provisions hereof.

25. INTEREST. In no event shall charges made to Lessee pursuant to the definition of "Actual Cost" or "First Payment" or pursuant to paragraphs 15, 17, 21, 22 and 23 of this lease, which are, or are construed to be, interest, and any actual interest payable under this lease exceed the applicable maximum interest rates provided by applicable law.

26. OWNERSHIP; PERSONAL PROPERTY. The Equipment is and shall at all times remain, the sole property of Lessor and its specific transferees thereof; and Lessee shall not have or acquire any right, title or interest therein or thereto except as expressly set forth in this lease and the Residual Purchase Agreement. Under no circumstances shall Lessee acquire, or be deemed to have acquired, any equitable interest in the Equipment or any right of redemption with respect to this lease or the Equipment after Lessee's default hereunder, except as expressly set forth in this lease. The Equipment is, and shall at all times be and remain, personal property notwithstanding that the Equipment or any part thereof may now be, or hereafter become, in any manner affixed or attached to real property or any building or other improvement thereon.

27. NOTICES. Service of all notices under this lease shall be sufficient if given personally or mailed to the party involved at its address set forth above, or at such other address as said party may provide in writing from time to time. Any such notice mailed to said address shall be effective when deposited in the United States mail, duly addressed and with postage prepaid.

28. TITLING AND REGISTRATION. Any Equipment subject to titling and registration laws shall be titled and registered to Lessor by Lessor at Lessee's expense. Lessee shall cooperate with and provide to Lessor any information or documents necessary for titling and registering of the Equipment; and, Lessee shall sign, acknowledge, swear to, and deliver such documents as Lessor shall request for filing or recording.

29. MISCELLANEOUS. No provision of this lease or default by Lessee hereunder can be waived except by a written waiver signed by Lessor. The acceptance by Lessor of rent or other payments due from Lessee hereunder shall not be, or be deemed to be, a waiver of any default hereunder by Lessee. Lessee shall promptly provide Lessor with such corporate resolutions, secretary's certificates of incumbency and pertaining to

corporate resolutions, opinions of Lessee's counsel, periodic and annual financial statements, financing statements, and other documents as Lessor shall request from time to time. If more than one Lessee is named in this lease, the liability of each shall be joint and several. Whenever necessary for proper construction herein, any noun or pronoun used in the neuter shall include the masculine and feminine and in the singular shall include the plural, and vice-versa. Time is of the essence hereof.

30. ENTIRE AGREEMENT. This document constitutes the entire agreement between Lessor and Lessee and supersedes all prior warranties, representations, understandings, and agreements with respect to the subject hereof. This document shall not be amended except by a written agreement signed by the parties hereto.

Signed as of X September 3, 1987.

Lessor:

REPUBLIC FINANCIAL CORPORATION
a Colorado corporation

By: *Phillip B. Pika*

Title: *Vice President*

and
By: *Arthur J. Starr*

Title: *Asst. Secretary*

Lessee:

THE MONONGAHELA RAILWAY COMPANY
a Pennsylvania and West Virginia
corporation

By: *Gordon E. Nevenschwander* *copy*

Gordon E. Nevenschwander
(type or print name)

Title: X ^{PRESIDENT}
(type or print name)

(CORPORATE SEAL)

RENTAL COMMENCEMENT DATE:
September 11, 1987

LESSEE NO.: M-10502



EQUIPMENT LEASE
REPUBLIC FINANCIAL CORPORATION (the "Lessor")
a Colorado corporation
P.O. Box 22564
Denver, Colorado 80222
(303) 751-3501

Master Agreement Date:
August 28, 1987

Equipment Lease No. M-01-082687A
(ALWAYS REFER TO ABOVE NUMBER)

FULL LEGAL NAME AND ADDRESS OF LESSEE (INCLUDE ZIP CODE) SUPPLIER OF EQUIPMENT (COMPLETE ADDRESS) (INCLUDE ZIP CODE)

The Monongahela Railway Company
Suite 680, Commerce Court
Four Station Square
Pittsburgh, Pennsylvania 15219-1199

Provident Bank
One East Fourth Street, Suite 700
Cincinnati, Ohio 45202

PERSON TO CONTACT: Jim Lenart TELEPHONE NO. (412) 261-3201 SALESMAN: Forrest Frank TELEPHONE NO. (513) 579-2862

LEASE TERM NUMBER OF MONTHS	NUMBER OF RENTAL PAYMENTS	RENTAL PAYMENTS WILL BE MADE	RENTAL PAYMENT AMOUNT:	FIRST PAYMENT
61	10* plus 1**	MO. <input type="checkbox"/> QTR. <input type="checkbox"/> *semi annual in advance	*10 Payments of \$ 76,835.03 Plus Tax \$ -0- Total \$ 76,835.03 (IF APPLICABLE) **followed by one payment of \$139,000.00 plus tax \$-0- Total \$139,000.00 due September 11, 1992	\$76,835.03 REPRESENTING First Payment

LOCATION OF EQUIPMENT STREET ADDRESS: 53 Market Street
CITY: Brownsville COUNTY: Fayette STATE: Pennsylvania

Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the personal property (the "Equipment") described in attached Schedule A which is hereby incorporated herein by reference, for the term and rents, and upon the conditions herein set forth.

1. NO WARRANTIES. LESSOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING THE TITLE, CONDITION, DESIGN, VALUE, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, OR OTHER MATTER CONCERNING THE EQUIPMENT. LESSEE HEREBY WAIVES ANY CLAIM IT MIGHT HAVE AGAINST LESSOR FOR ANY LOSS, DAMAGE, EXPENSE, OR LIABILITY CAUSED BY THE EQUIPMENT OR BY ANY DEFECT THEREIN, USE OR MAINTENANCE THEREOF, OR SERVICING OR ADJUSTMENT THERETO. AS TO LESSOR, LESSEE LEASES THE EQUIPMENT "AS IS".

2. MASTER AGREEMENT. Reference is made hereby to that certain written master agreement for leases (the "Master Agreement") dated as set forth above, by and between Lessor and Lessee; and, a copy of the Master Agreement is attached hereto and by this reference the Master Agreement is hereby incorporated herein. As used in this lease and the Master Agreement, words which have been defined in either such document shall have the same meaning in the other document.

The provisions of the Master Agreement set forth in paragraphs numbered 1 through 30 are, and shall be deemed to be, provisions of this lease for all intents and purposes whatsoever, the same as if such provisions were set forth at length herein.

3. ORIGINAL LEASE. Only one copy of this lease is, and shall be, originally signed by Lessor and Lessee and Lessor shall be entitled to the possession of such originally signed copy. All other copies of this lease are, and shall be, marked as being copies. Only the originally signed copy of this lease may be assigned or mortgaged by Lessor.

4. LEASE. This lease is not intended to be a true lease, but rather a lease with an obligation of purchase.

5. BUSINESS PURPOSES. Lessee represents and warrants to Lessor that Lessee is leasing the Equipment hereunder solely for business purposes and shall not use, or allow the use of, the Equipment for other than a business purpose.

6. LOCATION; LESSOR'S INSPECTION; LABELS. It is anticipated the Equipment will be utilized principally on the property of the Lessee. However, utilization of the Equipment on other properties is permitted under terms and conditions customary in the Lessee's industry, such as under run-through agreements or motive power equalization arrangements. Lessor shall have the right to inspect the Equipment at any reasonable time. If Lessor supplies Lessee with labels stating that the Equipment is owned by Lessor, Lessee shall affix and keep same in a prominent place on each item of the Equipment.

Dated X September 3, 19 87.

LESSOR:
REPUBLIC FINANCIAL CORPORATION
a Colorado corporation
By: [Signature]
Title: Vice President
By: [Signature]
Title: Asst. Secretary

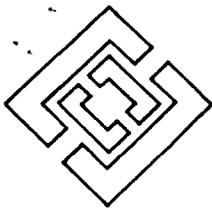
LESSEE:
THE MONONGAHELA RAILWAY COMPANY
a Pennsylvania and West Virginia corporation
By: X [Signature]
Title: X PRESIDENT

ORIGINAL

SCHEDULE "A"

<u>Quantity</u>	<u>Description</u>
1. Five (5)	2,000 HP GP-38 Locomotives: Dynamic Braking & Ballast, S/N's: 35074, 35075, 35076, 35077, 35078, M.R.C. Identification (Road) Numbers: 2000, 2001, 2002, 2003, 2004

AP
Per me



REPUBLIC FINANCIAL CORPORATION

September 3, 1987

Mr. Jim Lenart, Treasurer
The Monongahela Railway Company
Suite 680, Commerce Court, Four Station Square
Pittsburgh, Pennsylvania 15219-1199

LESSEE NO.:	M-10502
EQUIPMENT LEASE NO.:	M-01-082687A
ACCEPTANCE DATE:	September 3, 1987
RENTAL START DATE:	September 11, 1987
DUE DATE:	11th
NEXT PAYMENT DUE:	March 11th, 1988
ADVANCE PAYMENT:	\$76,835.03 (1st Semi-Annual Rental Payment)

Dear Mr. Lenart:

Thank you for choosing Republic Financial Corporation for your equipment leasing needs. This Lease Agreement has been activated on our records. We have assigned the referenced Lease to First National Bank of Louisville, 101 South Fifth Street, Louisville, Kentucky 40233. A semi-annual invoice will be forwarded to you. Therefore, all future payments should be remitted to First National Bank of Louisville at their billing address, unless otherwise noted above.

We would like to recap some of the conditions and characteristics of our Lease.

1. This Lease is noncancellable and is not transferable.
2. This is a "net" Lease, meaning that the expenses that are normally the responsibility of the owner are borne by the Lessee, i.e., taxes, insurance, maintenance and upkeep.
3. Lessee understands that this Lease shall be governed by the laws of the State of Colorado.
4. REPUBLIC FINANCIAL CORPORATION MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, DIRECTLY OR INDIRECTLY, EXPRESSED OR IMPLIED, AS TO THE SUITABILITY, DURABILITY, FITNESS FOR USE, MERCHANTABILITY, CONDITION, QUALITY, OR OTHERWISE, OF ANY EQUIPMENT. You agree, in the event that the equipment fails to perform as expected or represented, to indemnify and hold us harmless from any and all loss, damage, or liability that may result from such failure of performance. Any disputes relative to warranty must be negotiated between the Lessee and the manufacturer or dealer. The particular equipment on this Lease may require service to maintain good operative condition, but Republic Financial Corporation does not assume responsibility for service. Under no circumstances will the Lessee withhold rental payments because of dispute over such service or warranties.

P.O. Box 22564
Denver, Colorado 80222

(303) 751-3501

2015 South Dayton
Denver, Colorado 80231

Mr. Jim Lenart
September 3, 1987
Page Two

5. Republic will report and file the assessment for personal property tax on equipment which you have leased from Republic. Property tax, as well as possible changes in rental taxes, are distinct charges beyond your rental payments and will remain part of your obligations to Republic. Should you receive a schedule requesting you to file on this leased property, please contact us so this will not be double assessed. When we are billed from the county, we will forward an invoice with a copy of the bill to you for prompt payment to Republic.

This letter does not alter any terms or conditions of the Lease Agreement. Its purpose is solely explanatory.

Because we feel that a better understanding is conducive to a better customer relationship, we feel it is important for us to call your attention to these points. Again, we want to thank you for joining us and hope we can be of further assistance to you with your continuing equipment needs.

Should you have any questions regarding this transaction, please advise us immediately.

Sincerely,

REPUBLIC FINANCIAL CORPORATION

Arthur Starr (for Michael G. Ricks)

Michael G. Ricks

MGR/adr

Acknowledged by:
(return one copy signed)

THE MONONGAHELA RAILWAY COMPANY

By: *401* *Gordon E. Henschel*

Title: *PRESIDENT*

CORPORATE FORM OF ACKNOWLEDGEMENT

State of Pennsylvania

County of Allegheny

On this 4th day of September, 1987 before me personally appeared, **Gordon E. Neuenschwander**, to me personally known, who being by me duly sworn, says that he is the **President of The Monongahela Railway Company**, that the seal affixed to the foregoing instrument 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 he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Seal)



Signature of Notary Public

My Commission Expires October 26, 1987

DONNA L. WOSHNER, NOTARY PUBLIC
PITTSBURGH, ALLEGHENY COUNTY
MY COMMISSION EXPIRES OCT. 26, 1987
Member, Pennsylvania Association of Notaries