

REPUBLIC FINANCIAL CORPORATION

September 23, 1987

Interstate Commerce Commission
12th & Constitution Avenue N.W.
Room 2303
Washington, D.C. 20423

RECORDATION NO. 15308 Filed 10/25

9/24/87
10.00
Washington, D.C.

SEP 24 1987 -3 05 PM

INTERSTATE COMMERCE COMMISSION

Attn: Mildred Lee

Dear Ms. Lee:

With this transmittal letter we are requesting the attached Assignment and Security Agreement, and Promissory Note be recorded with the ICC-Rail Division as **secondary documents to Recordation No. 15308 dated September 14, 1987** and be cross-indexed under the names of 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:

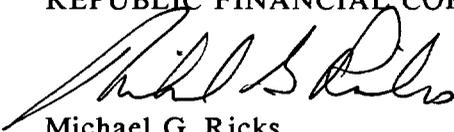
Republic Financial Corporation
2015 South Dayton Street
Denver, Colorado 80231
Attn.: Ann N. Martin

ICC - Rail Division
September 23, 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

A handwritten signature in black ink, appearing to read "Michael G. Ricks", is written over the typed name.

Michael G. Ricks
Vice President

MGR:anm

Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

9/24/87

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 9/24/87 at 3:05pm, and assigned recordation number(s). 15308-A

Sincerely yours,

Norita R. McGee
Secretary

Enclosure(s)

SE-30
(7/79)

SEP 24 1987 - 3 05 PM

ASSIGNMENT AND SECURITY AGREEMENT
(Non-Recourse)

INTERSTATE COMMERCE COMMISSION

This Agreement dated as of September 11, 1987, by and between **Republic Financial Corporation**, a Colorado corporation, with its principal offices at 2015 South Dayton Street, Denver, Colorado 80231; P. O. Box 22564, Denver, Colorado 80222, ("RFC"), and **First National Bank of Louisville**, a national banking association, with its principal offices at 101 South Fifth Street, Louisville, Kentucky 40202, (the "Bank").

In consideration of any loan or advance presently or hereafter made by the Bank to RFC, the parties hereto agree as follows:

1. Definitions. As used herein:

- (a) "Collateral" means all property in which a security interest is granted hereunder.
- (b) "Goods" means the personal property leased under a lease assigned to Bank hereunder together with all accessories, attachments, parts and repairs now or hereafter incorporated in or affixed to or used in connection with any such Goods, and includes goods substituted for the original Goods under a Contract and Goods that may be added to a Contract.
- (c) "Contract" means any lease for which RFC is the lessor (or an assignee of the lessor) and which is assigned to Bank.
- (d) "Contract Security" means each and every guaranty, security interest, mortgage, or other security securing the payment and performance of a Contract.
- (e) "Lessee" means the lessee or lessees of a Contract.
- (f) "Obligation" means each and every debt, liability or obligation which RFC may now or hereafter owe to the Bank, whether such debt, liability or obligation now exists or is hereafter created or incurred, and whether it is or may be direct or indirect, absolute or contingent, due or to become due, primary or secondary, liquidated or unliquidated, or joint, several or joint and several.
- (g) "Rent" means with respect to each Contract all monies due or to become due under such Contract.

2. Assignment. As collateral security for the repayment of the Promissory Note or Notes executed presently or hereafter by RFC in favor of the Bank and referencing this Agreement, RFC hereby assigns and grants to Bank, its successors and assigns, a security interest in all of RFC's right, title and interest (including the right to receive Rent now or hereafter owing) in and to the Contract or Contracts described in the Schedule A attached hereto and in and to any and all Contract Security therefor which is made subject to this Agreement.

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3. Security Interest. As security for the payment of all Obligations to the Bank, RFC hereby grants to the Bank a security interest in (i) all Goods, (ii) all Contracts, (iii) all Rent, (iv) all Contract Security and (v) proceeds of any and all of the foregoing; provided that the security interest shall only apply to the Goods, Rent, Contract Security and proceeds identified to the Contract assigned to the Bank. Upon payment of all obligations to the Bank, the Bank shall promptly reassign the Contract or Contracts, without recourse to RFC.

4. Representations and Covenants of RFC. RFC represents, warrants and covenants that:

- (a) RFC is and will be duly qualified to transact business wherever failure to be so qualified would materially and adversely affect its financial condition or its ability to perform its obligations to the Bank hereunder.
- (b) The execution and performance of this Agreement, each Assignment, and of each of the Contracts will not violate any provisions of RFC's Articles of Incorporation or By-Laws or any indenture, contract, agreement or instrument to which it is a party or by which it is bound.
- (c) RFC has good title to the Collateral, free and clear of all liens, attachments, encumbrances, security interests, disputes, set-offs, or counterclaims, except the Contracts and the security interest granted hereunder; and RFC will defend the Collateral against all claims and demands of all persons (other than the Bank, or lessees) claiming the Collateral or any interest therein, and will not encumber, sell or otherwise dispose of the Collateral without the prior written consent of the Bank, which will not be unreasonably withheld. RFC may transfer, sell or assign the ownership interest for tax purposes, and said assignment is subordinate, at all times, to the Bank's interest herein.
- (d) Each of the Contracts is genuine, legally valid and enforceable; the unpaid Rent thereon and any Contract Security therefor is and will be as represented to the Bank at the time of assignment; and each Contract and any Contract Security therefor is and will be at the time of assignment, free of any special arrangement or understanding or separate agreement regarding the Rent, or any other matter contemplated by or related to the Contract and the Contract Security therefor except as disclosed to the Bank in writing prior to assignment; and no event of default has occurred and is continuing which with the lapse of time or giving of notice would constitute an event of default thereunder.
- (e) RFC shall perform all of its duties and obligations under the Contracts.
- (f) RFC will deliver to the Bank the original of any Contract or Contracts that the Bank may from time to time request.
- (g) All Goods have been delivered and accepted by the respective Lessees of the Contracts and each Lessee has acknowledged receipt and acceptance of the Goods.

- (h) RFC will pay, or cause to be paid, all taxes levied or assessed against the Goods prior to the date on which penalties attach thereto.
- (i) RFC will procure and maintain, or cause to be procured and maintained, insurance issued by responsible insurance companies insuring the Goods against damage and loss by theft, fire, collision (in the case of motor vehicles), and such other risks as are usually carried by owners of similar properties or as may be requested by the Bank, in such amounts and payable in such manner as the Bank shall request and will furnish evidence of such insurance to the Bank upon request. In the event the insurance names the Bank as the insured, the Bank will cause the insurance to be maintained pursuant to its rights under the assigned contract. (Lessee may self-insure for property damage.)
- (j) Each item of Collateral constituting a motor vehicle shall be registered, and a certificate of title issued therefor, under the laws of each state requiring such registration and the issuance of such a certificate at the time the Assignment of the Contract covering such Collateral is made to the Bank. Each item of Collateral constituting an aircraft shall be registered with the F.A.A. as required at the time Assignment of the Contract covering such Collateral is made to the Bank. All other tangible Collateral shall, at the time the Assignment of the Contract covering such Collateral is made to the Bank, be located at the address of the Lessee thereof or such other address as RFC may represent to the Bank in writing.
- (k) Upon request by the Bank, RFC will cause the Bank's security interest granted hereunder to be endorsed on each certificate of title evidencing ownership of Collateral constituting motor vehicles.
- (l) RFC will (i) permit the Bank to examine RFC's books and records with respect to the Collateral and made extracts therefrom and copies thereof at any time and from time to time, (ii) examine the Collateral at its location at reasonable times; and (iii) permit the Bank to discuss its affairs, finances and accounts as they relate to the Contracts with its officers, employees and accountants at such reasonable times and as often as the Bank may reasonably request.
- (m) RFC will execute, from time to time, such financing statements, assignments, and other documents covering the Collateral, including proceeds, as the Bank may reasonably deem appropriate in order to perfect its security interest in the Collateral (including Contract Security acquired by the Lessee after the related Contract has been assigned to the Bank hereunder); will pay the cost of filing the same in all public offices in which the Bank may deem filing to be appropriate; will disclose upon request by the Bank the name of the record owner and the legal description of any real property to which any Goods may be deemed fixtures; and will notify the Bank promptly upon acquiring any Contract Security for a Contract previously assigned to the Bank hereunder.
- (n) Upon request by the Bank, RFC will file a financing statement or statements

naming as debtor such Lessee or Lessees as may be designated by the Bank, and will assign RFC's rights under any such financing statement to the Bank.

- (o) Each Contract is the only document executed by RFC for the primary lease period concerning the property described in said Contract.
- (p) RFC agrees so long as this Agreement is in effect not to assign, sell, pledge, mortgage, grant a security interest in or otherwise create any encumbrance upon any Contract or Contract Security to anyone other than Bank, and will not transfer, modify, cancel or terminate any Contract without the prior written consent of Bank, which will not be unreasonably withheld. RFC may transfer, sell or assign the ownership interest for tax purposes, and said assignment is subordinate to, at all times, the Bank's interest herein.
- (q) The assignment and pledge contained herein is the only assignment and pledge of said Contracts.
- (r) RFC will furnish to the Bank: (i) within ninety (90) days after the end of each fiscal year of RFC and within forty-five (45) days after the end of each fiscal quarter of RFC, a balance sheet and income and surplus statement showing its financial condition as of the close of such year or quarter, as appropriate, and the results of its operations for such period, prepared in accordance with generally accepted accounting principals, with such annual reports certified by an independent certified public accountant; (ii) promptly, such other information regarding the operations, business and financial condition of RFC which is made available to the public and/or listed with the Securities Exchange Act of 1934, and (iii) with reasonable promptness, such other information regarding RFC's operations, business and financial affairs as Bank may reasonably request.
- (s) If RFC repossesses any Collateral for any reason other than a default arising because of delinquency in payment under the Contract, RFC shall, within thirty (30) days after such repossession, pay off the advance, and all interest accrued thereon, made by Bank against such repossessed Collateral.
- (t) RFC will not enter into any merger or consolidation or effect any reorganization or recapitalization without giving the Bank written notice of such transaction at least sixty (60) days prior to the closing of such transaction and RFC and its transferee shall execute and deliver to Bank such documents as requested by Bank to protect the interest of Bank in the Collateral.

5. Collection of Rent.

- (a) RFC shall notify each Lessee that all rents payable under each assigned Contract shall be paid to the lock box address as set up pursuant to the lock box agreement, if any, executed by RFC herewith. The amounts from time to time received by the Bank pursuant to said lock box agreement as Rent under the Contract or Contracts shall be applied to the amount of principal

and interest then outstanding on the Note secured by this Agreement, with any excess paid by the Bank to RFC. Any insurance proceeds as regards the Collateral shall be applied according to the terms of the Contract, but in the event the insurance proceeds are not used to replace or repair the Collateral for any reason whatsoever, said proceeds shall be paid to the Bank and applied to the principal and interest then outstanding on the Note secured by this Agreement, with any excess paid by the Bank to RFC.

- (b) The Bank may, upon occurrence of an Event of Default, notify any Lessee that its Contract has been assigned to the Bank and that all Rent payable thereunder shall be paid directly to the Bank. The Bank may also direct RFC to so notify any Lessee and RFC agrees to follow any such directions. All Rent received by RFC from Lessees so notified shall be received and held by RFC in the same form as received except for RFC's endorsement when necessary. In the event RFC fails to endorse any instrument given in payment of Rent, the Bank is hereby irrevocably authorized to endorse the same on RFC's behalf.

6. Servicing of Contracts. Each Contract assigned to the Bank shall be serviced by RFC upon the terms and conditions herein contained. Until all payments to be made under each Contract are paid in full, RFC shall:

- (a) Use its best efforts and due diligence with respect to all obligations under this Paragraph 6 and shall supervise, administer, monitor and call to collect all payments due under the Contracts, and will perform all obligations under this Paragraph 6 and incident to servicing, supervising, administering, monitoring, repossessing and collecting, as well as those acts and duties which a reasonable, prudent lender would perform, including using its best efforts to collect all payments due under the Contracts as and when the same become due. In particular, but without limitation of the foregoing, RFC shall perform such collection services as are customary or as the Bank may reasonably request or direct, including an investigation of delinquencies, personal contact with delinquent accounts, mail or telephone collection efforts, investigation and handling of repossessions of Collateral and the storage of repossessed Collateral, and any and all other ordinary collections and delinquency activities. RFC agrees to conduct all aspects of said repossession and sale in accordance with applicable provisions of state and federal law.
- (b) Maintain adequate facilities for the collection of all sums payable pursuant to the Contracts and provide the Bank with a monthly status report on the Rent payments for each Contract assigned to the Bank.
- (c) Without the written consent of the Bank, not waive any claim against any borrower, guarantor or other obligor arising out of any claim.
- (d) Take all such other further action and execute, file, deliver and record all such instruments and documents necessary to protect the interest of the Bank in the Contract as would be taken or executed by a fiduciary.

In the event any Contract assigned to the Bank is in default under the terms thereof for a period of sixty (60) days or more, the Bank may, in its sole discretion,

rescind the servicing privileges and responsibilities set forth herein. The Bank will grant RFC an opportunity to cure said default prior to any rescission by the Bank. In the event of an uncured default resulting in the need to repossess the Collateral, RFC will, at the Bank's request, repossess and store the Collateral at Bank's expense.

7. Power of Attorney. RFC hereby irrevocably constitutes and appoints the Bank its true and lawful attorney with full power of substitution, for it and in its name, place and stead, to ask, demand, collect, receive, receipt for, sue for, compound and give acquittance for any and all Rent, income and other sums which are assigned hereunder with full power to settle, adjust or compromise any claim thereunder as fully as RFC could itself do, and to endorse the name of RFC on all commercial paper given in payment or in part payment thereof, and in its discretion to file any claim or take any other action or proceeding, either in its own name or in RFC's name, or otherwise, which the Bank may deem necessary or appropriate to collect any and all sums which may be or become due or payable under the Contract or Contracts, or which may be necessary or appropriate to protect and preserve the right, title, and interest of the Bank in and to such Rent and other sums and the security intended to be created thereby.

8. Events of Default. The occurrence of any of the following events shall constitute an Event of Default hereunder: (i) RFC's failure to pay, within five (5) days of the due date, any payment of principal or of interest on any Obligation; (ii) RFC's failure to duly perform or observe any of the agreements and covenants to be performed or observed by RFC hereunder and the continuance thereof for a period of fifteen (15) consecutive calendar days after written notice thereof from the Bank to RFC; (iii) any warranty, representation or statement made or furnished to the Bank by or on behalf of RFC proves to have been false in any material respect when made or furnished; (iv) dissolution, liquidation, insolvency, or business failure of, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency law by, or the commencement of any proceeding under any bankruptcy or insolvency law against RFC and the continuance of any such proceeding for thirty (30) days undismissed, unbonded, or undischarged; or (v) the Bank shall at any time have reasonable grounds to believe that the prospect of due and punctual payment of any of the Obligations is impaired.

9. Rights and Remedies on Default. Upon the occurrence of an Event of Default, and at any time thereafter until such default is cured to the written satisfaction of the Bank, the Bank may exercise any one or more of the following rights and remedies:

- (a) The Bank may declare any and all Obligations to be immediately due and payable, and the same shall thereupon become immediately due and payable without further notice or demand; and
- (b) The Bank may exercise any and all other rights and remedies available to it by law or by agreement, including rights and remedies under the Uniform Commercial Code, or any other applicable law, or under any Contract or Contract Security therefor, and in connection therewith, the Bank may require RFC to assemble the Goods (subject to the rights, if any, of Lessees) and make them available to the Bank at a place to be designated by the Bank which is reasonably convenient to both parties, and any notice of intended disposition of any of the Collateral required by law shall be

deemed reasonable if such notice is mailed or delivered to RFC at its address as shown on the Bank's records at least ten (10) days before the date of such disposition.

10. Limitations of Liability. Anything in this Agreement, the Note secured hereby, the Contract or Contracts, any certificate, opinion, or documents of any nature whatsoever to the contrary notwithstanding, neither the Bank nor its successors or assigns, nor any holder or holders of the Note secured hereby shall have any claim, remedy, or right to proceed (at law or in equity) against RFC for the payment of any deficiency or any other sum of any liability of any nature whatsoever (except that the Bank shall have full recourse against RFC and RFC shall have personal liability for breaches of RFC's representations, warranties, and covenants contained herein), from any source other than the Collateral, including the sums due and to become due under the Contract or Contracts; and the Bank by acceptance of the Note secured hereby, waives and releases any liability of RFC for and on account of such indebtedness or such liability, except as provided above, and the Bank, its successors and assigns, and the holders of the Note secured hereby, agree to look solely to the Collateral, including the sums due and to become due under the Contract or Contracts for the payment of said indebtedness, for the satisfaction of such liability; provided, however, nothing herein contained shall limit, restrict, or impair the rights of the holders of the Note secured hereby to accelerate the maturity of said Note upon a default under this Agreement, to bring suit and obtain a judgment against RFC on said Note (provided the satisfaction thereof shall be limited to the Collateral, including the sums due and to become due under the Contract or Contracts) or to exercise all rights and remedies provided under this Agreement or otherwise realize upon the Collateral, including the sums due or to become due under the Contract or Contracts, including the right to proceed against the Lessee or Lessees under the Contract or Contracts. Notwithstanding anything to the contrary herein, the Bank shall have full recourse against RFC and RFC shall be personally liable for any breaches of RFC's representations, warranties, and covenants contained herein.

11. Prepayment. Debtor may not voluntarily prepay the indebtedness evidenced by this Assignment and Security Agreement in whole or in part; provided, however, that the Debtor may voluntarily prepay that portion of this Assignment and Security Agreement secured by a Lease which has been terminated prior to the end of its term due to:

- (a) a default by the Lessee under the terms of the Lease;
- (b) a casualty loss, as defined in the Lease, in which event the voluntary prepayment shall be limited to that portion of unpaid principal under this Assignment and Security Agreement, together with accrued interest thereon, proportionately equal to the percentage that the original purchase price of the Equipment suffering such event of loss bears to the original purchase price of the Equipment then subject to the Lease, provided, however, that payments of principal and interest shall continue to be payable under this Assignment and Security Agreement together with any additional interest required pursuant to the attached Promissory Note with regard to payments of principal and interest remaining unpaid after the same have become due and payable, until payment of such payments required under the Lease in the event of a loss;

- (c) an early termination of the Lease under the terms of the Lease or as negotiated between the Debtor and the Lessee. In the event of a voluntary prepayment of the outstanding principal balance of this Assignment and Security Agreement due to early termination, the amount due on this Assignment and Security Agreement shall equal the present value of the aggregate unpaid rent due under the original term of the Lease at the termination date, discounted to the termination date at a rate equal to the then current United States Treasury Note rate for such Treasury Notes with terms substantially equal to sixty percent (60%) of the original Lease term, plus two percent (2%), and in addition, all accrued and unpaid interest on this Assignment and Security Agreement, at the date of payment to Secured Party. Provided that, in no event shall such prepayment amount equal less than the unpaid principal on the date of prepayment plus all accrued but unpaid interest on this Assignment and Security Agreement to such date.

In lieu of prepaying this Assignment and Security Agreement pursuant to the above terms, the Debtor may offer to the Secured Party and the Secured Party at its sole option may accept a substitute Lease or Leases of like quality and term.

Each of the remaining principal installments due hereunder shall be reduced in the proportion that the principal amount of the prepayment made pursuant to this Section bears to the unpaid principal amount outstanding immediately prior to the prepayment.

12. Miscellaneous.

- (a) It is understood that the Bank does not in any way assume any of RFC's obligations under any of the Contracts, and RFC hereby agrees to indemnify the Bank against all liability arising in connection with or on account of any of the Contracts or any of the Goods.
- (b) If RFC fails to observe or perform any covenant or agreement contained in this Agreement and such failure is not remedied by RFC within fifteen (15) days after written notice thereof, the Bank may, in addition to any other remedy, take whatever action may be necessary to remedy such failure and should any such action require the expenditure of monies to protect and preserve the Bank's security interest in the Collateral (including payment of insurance premiums and taxes and removal of liens), the amount of such expenditure shall become forthwith due and payable by RFC with interest at the highest rate of interest then allowed by law and shall be secured by the security interest granted hereunder.
- (c) The Bank shall not be deemed to have waived any of its rights hereunder or under any other agreement, instrument or paper signed by RFC unless such waiver be in writing and signed by the Bank. No delay or omission on the part of the Bank in exercising any right shall operate as a waiver of such right or any other right. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion.
- (d) All rights and remedies of the Bank shall be cumulative and may be exercised singularly or concurrently, at the Bank's option, and the exercise or

enforcement of any one such right or remedy shall not bar or be a condition to the exercise or enforcement of any other.

- (e) This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Commonwealth of Kentucky. If any portion of this Agreement is deemed invalid, it shall not affect the balance of this Agreement.
- (f) RFC agrees to pay the reasonable attorneys' fees and legal expenses incurred by the Bank in the exercise of any right or remedy available to it under this Agreement, provided that the Bank is successful in the exercise of any such right or remedy.
- (g) This Agreement shall be binding upon and inure to the benefit of the successors and assigns of RFC and the Bank.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

REPUBLIC FINANCIAL CORPORATION

By: Michael S. Phelps

Title: Vice President

By: Arthur L. Starr

Title: Asst. Secretary

FIRST NATIONAL BANK OF LOUISVILLE

By: Ray L. Lewis

Title: V.P.

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PROMISSORY NOTE

SEP 24 1987 -3 05 PM

INTERSTATE COMMERCE COMMISSION

September 11, 1987

Louisville, Kentucky

\$547,652.89
\$ 85,843.55
\$633,496.44

For value received, the undersigned promises to pay to the order of **FIRST NATIONAL BANK OF LOUISVILLE** ("Bank") at its office in Louisville, Kentucky, the principal sum of Six Hundred Thirty Three Thousand Four Hundred Ninety Six and 44/100ths DOLLARS (\$633,496.44), together with interest on the unpaid principal amount hereof outstanding from time to time at a rate of 9.875% per annum. Repayment shall be made in nine (9) consecutive semi-annual installments of \$76,835.03 commencing March 11, 1988, with the final installment due March 11, 1992 followed by one payment of \$139,000.00 due September 11, 1992, each installment consisting of principal and interest. Interest shall be computed for the actual number of days elapsed over an assumed year of 360 days. If any payment of principal and interest, or either of them, is not paid when due, then a late charge shall be payable to the holder hereof in an amount equal to all late charges, service charges, and delinquent payment interest charges which are payable, with respect to such non-payment or tardy payment, by, and are collected from, the lessee under the lease M-01-082687A dated September 3, 1987, securing this promissory note under the Assignment and Security Agreement (hereinafter defined).

This Note is secured by an Assignment and Security Agreement dated September 11, 1987 ("Assignment and Security Agreement").

To induce the payee to make the loan represented hereby, the undersigned warrants and represents that:

(a) The undersigned is a corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation and is duly qualified and licensed as a foreign corporation in all jurisdictions wherever failure to do so would materially and adversely affect its financial condition or its ability to perform its obligations hereunder.

(b) The undersigned is duly authorized to execute, deliver and perform this Note and to incur the indebtedness represented hereby, and no consent of any governmental agency or regulatory authority is required.

(c) The execution and delivery of this Note, the performance by the undersigned of its obligations hereunder, the incurrence by the undersigned of the indebtedness represented hereby, the execution and delivery by the Assignment and Security Agreement, do not and will not conflict with any provision of law or of the charter or by-laws of the undersigned or of any agreement binding upon the undersigned.

(d) The audited consolidated financial statement as of the end of the most recent fiscal year of the undersigned, a copy of which has been furnished to the payee, has been prepared in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding fiscal year, except as

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specifically noted therein, and presents fairly the financial condition of the undersigned and its consolidated subsidiaries at such date, and the results of their operations for the year then ended, and since such date there has been no material adverse change in their financial condition.

(e) No litigation or governmental proceedings are known to be pending or threatened against the undersigned, except those referred to (including estimates of the dollar amounts involved) in a schedule contemporaneously furnished by the undersigned to the payee and except litigation, the aggregate liability from which is not, in the opinion of the legal counsel of the undersigned, in excess of \$250,000.00. Other than any liability incident to such litigation or proceedings, the undersigned has no known contingent liabilities not provided for or disclosed in the financial statement referred to in subsection (d) above.

(f) No material Reportable Event as such term is defined in the Employee Retirement Income Security Act of 1974 ("ERISA") has occurred and is continuing with respect to any plan of the undersigned, covered by ERISA.

In accordance with the Assignment and Security Agreement, the Bank may accelerate the maturity of this Note and declare the same immediately due in full.

If there is any default in the payment of principal or interest hereunder, whether by reason of acceleration or otherwise, and this Note is placed in the hands of an attorney for collection, or is collected through any court, including any bankruptcy court, the undersigned promises to pay to the holder hereof its reasonable attorneys' fees and court costs incurred in attempting to collect or secure this Note or enforce its rights in any collateral securing this Note, provided and to the extent that such reimbursement is allowed by law.

All parties hereto, whether makers, endorsers, sureties, guarantors, or otherwise, hereby severally waive presentment, demand, notice of dishonor, diligence in collection, protest, notice of protest and nonpayment and further waive all exemptions to which they or any of them may now or hereafter be entitled under the laws of Kentucky or any other state and further agree that the holder hereof shall have the right, without notice, to deal in any way at any time with any party hereto or to grant to any such party any extension of time for payment of this Note or any other indulgence or forbearance whatsoever, without in any way affecting the liability of any party hereunder.

It is expressly understood and agreed that the undertaking of the undersigned to pay this Note is included herein for the sole purpose of establishing the continuing existence of the indebtedness evidenced by the Note and the maturity of such indebtedness and that the undersigned is not personally liable for the payment of such indebtedness; and the Bank for itself, its successors and assigns, by the acceptance of this Note, agrees that, except as hereinafter provided, it will not institute any action at law or in equity or any suit in personam on this Note, or take any other action of any kind against the undersigned, its successors or assigns, for the payment of the unpaid balance hereof or for any installment thereof, or for any other sum of money which is or may be payable under this Note provided, however, that nothing in this paragraph shall be, or be deemed to be, a release or impairment of such indebtedness, or any security interest in any property or assignment of rentals or other sums with respect to said property or preclude the Bank from resorting to any

such collateral in case of any default thereunder or from enforcing any of its rights under any assignment or security agreement securing the Note or in respect of any other collateral for this Note, or prejudice the rights of the Bank, its successors or assigns, under the Assignment and Security Agreement, this Note, the collateral therefor or any such assignment or security agreement as against any subsequent owner of such property, who shall also not be personally liable with respect to such indebtedness.

REPUBLIC FINANCIAL CORPORATION
a Colorado corporation

By: Richard B. Linder

Title: Vice President

By: Arthur J. Starr

Title: Asst Secretary

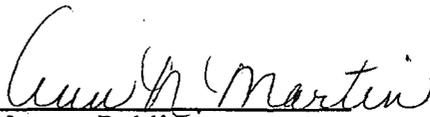
Schedule A to Assignment and Security Agreement dated September 11, 1987 by and among Republic Financial Corporation and First National Bank of Louisville.

| <u>Lessee</u> | <u>Commencement Date</u> | <u>Description</u> |
|---------------------------------|--------------------------|---|
| The Monongahela Railway Company | September 11, 1987 | Five (5) 2,000 HP GP-38 Locomotives: Dynamic Braking & Ballast, S/Ns: 35074, 35075, 35076, 35077, 35078, M.R.C. Identification (Road) Numbers: 2000, 2001, 2002, 2003, 2004 |

September 23, 1987

State of Colorado, County of Arapahoe, I, Ann N. Martin, a Notary Public in and for said state, do certify that on September 23, 1987, I carefully compared with the original the attached facsimiles of the Assignment and Security Agreement and the Promissory Note and the facsimiles I now hold in my possession. They are complete, full, true, and exact facsimiles of the documents they purport to reproduce.

(Seal)


Notary Public

My Commission Expires: 3-4-89