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REGISTRATION NO. FIRM 1425



REPUBLIC BANK-Central
105 W. Middle Street
P.O. Box 93
Williamston, MI. 48895-0093

DEBTOR:

Jack Neubaum
3370 Sky Way
Williamston, MI 48895

APR 4 1988-2 55 PM

INTERSTATE COMMERCE COMMISSION

PROMISSORY NOTE

PHONE NO. 655-4441	TIN: 362-58-0807	DATE OF NOTE 3-24-88	MATURITY DATE OF NOTE 9-24-88	LOAN NUMBER N
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For value received, the undersigned promise(s) to pay to the order of Republic Bank-Central, a Michigan banking corporation ("Bank") Twenty Thousand Fifty Nine and no/100ths----- Dollars (\$ 20,059.00) at any of the Bank's offices, or such other place as the holder hereof may direct in writing, and to pay interest (computed on the basis of a 360-day year for the actual number of days elapsed) on the unpaid principal balance at a rate per annum of (check applicable box):

- _____% until maturity and _____% after maturity.
- 2.0 % above the Index Rate (as defined below) from time to time in effect until maturity, and 4.0 % above the Index Rate from time to time in effect after maturity. The interest rate on this Note shall be adjusted daily to the specified percentage above the Index Rate in effect on the date of adjustment.

Index Rate: In this Note "Index Rate" means (check applicable box):

- The rate of interest announced from time to time by Bank as its "prime" interest rate.
- The rate of interest announced from time to time by _____ of _____, as its "prime" interest rate.
- _____

The rate announced by Bank or any other designated bank as its "prime" interest rate at any given time may not necessarily be the lowest rate of interest available to commercial customers of Bank or such other bank at that time.

- This is a revolving line of credit note:
The principal amount payable hereunder shall be the sum of all advances made by the Bank to or at the request of the undersigned, less principal payments actually received in cash by the Bank. The books and records of the Bank shall be the best evidence of the principal amount and the unpaid interest amount owing at any time hereunder and shall be conclusive absent manifest error. No interest shall accrue hereunder until the date of the first advance made by the Bank; thereafter, interest on all advances shall accrue and be computed on the principal balance outstanding from time to time hereunder until the same is paid in full.

The principal and interest on this Note shall be paid as follows (check applicable box):

- The principal and accrued interest shall be paid in full on September 24, 1988.
- The principal and interest shall be paid in installments of \$ _____ each, to be first applied to the interest accrued on the unpaid principal balance, commencing _____ and on the _____ day of each _____ thereafter, until _____ at which time the remaining unpaid principal balance and accrued interest shall be paid in full.
- Principal shall be paid in installments of \$ _____ each commencing _____, and on the _____ day of each _____ thereafter, until _____ at which time the remaining unpaid principal balance shall be paid in full. Accrued interest shall be paid on _____, and on the _____ day of each _____ thereafter until the principal balance is paid in full.
- Principal shall be paid in full on _____. Accrued interest shall be paid on _____, and on the _____ day of each _____ thereafter until the principal balance shall be paid in full.

A payment 7 days late will be charged a late fee of 1% of the payment due with a minimum of \$5.00 and a maximum of \$25.00.

STATEMENT OF TRANSACTION

1. LOAN PROCEEDS	\$ <u>20,000.00</u>	OTHER FEES (Itemize)	TO BE FINANCED	PAID IN CASH
2. OTHER FEES (Itemize)	TO BE FINANCED	PAID IN CASH	\$ _____	_____
CREDIT LIFE INSURANCE	\$ _____	_____	\$ _____	_____
FILING FEES	\$ <u>19.00</u>	_____	\$ _____	_____
LOAN PROCESSING FEE	\$ <u>40.00</u>	TOTAL OTHER FEES	\$ <u>59.00</u>	_____
_____	\$ _____	TOTAL AMOUNT FINANCED	\$ <u>20,059.00</u>	_____

The undersigned (Debtor) hereby grants to REPUBLIC BANK-Central (Secured Party) a security interest in the collateral described below including all additions, accessions and proceeds:

Railroad Car (rolling Stock) Lot 6944 Serial 6944 and accessories.

I hereby certify that this is a true copy of the security agreement and promissory note.

Larry Kruger
Larry Kruger, Executive Vice President and Chief Lending Officer

This note is personally guaranteed by John P. McGoff.

CREDIT LIFE INSURANCE is is not required to obtain this loan. If not required, it will not be provided unless Debtor signs below. AGE _____

DATE: _____ (INSURED DEBTOR) _____ (for insurance purposes only)

This Note is subject to all of the terms and conditions set forth on the reverse side hereof. By executing this instrument Debtor agrees to all its terms and conditions and acknowledges the receipt of a completely filled-in copy hereof. THE PROVISIONS OF ANY RIDER TO THIS NOTE WHICH IS EXECUTED BY BANK AND THE UNDERSIGNED ARE PART OF THIS NOTE.

ACCEPTANCE:

REPUBLIC BANK-Central
Larry Kruger
BY Larry Kruger
Exec. V.P., Senior Loan Officer
ITS _____

(TYPE NAME OF CORPORATION OF PARTNERSHIP OR, IF PROPRIETORSHIP, OF INDIVIDUAL(S))
Jack Neubaum
BY Jack Neubaum
ITS _____
BY _____
ITS _____
BY _____
ITS _____

PAYMENTS

If there shall at any time be due and payable from the undersigned to Bank any indebtedness or obligation in addition to the indebtedness evidenced by this Note, and if any indebtedness owed by the undersigned to Bank is then in default the undersigned shall not have any right to direct or designate the particular indebtedness or obligation upon which any payment made by, or collected from the undersigned or from any guarantor or other security shall be applied. The undersigned hereby waive(s) any such right and agree(s) that the manner of application of any such payment, as between or among such indebtedness and obligations, shall be determined solely by Bank.

SECURITY

This Note is secured by any and all security agreements, guaranties, mortgages, pledge agreements, and assignments heretofore or hereafter given by the undersigned or any third party to Bank ("Security Documents") including, but not limited to, Security Documents given in connection with or referred to in any prior promissory notes given to Bank by the undersigned. Bank shall have all of the rights and powers set forth in the Security Documents and in any other written agreement(s) heretofore or hereafter given to Bank by the undersigned, as though they were fully set forth herein. As additional security for the payment of this Note, the undersigned grant(s) to Bank a security interest in all tangible and intangible property of the undersigned now or hereafter in the possession of Bank, including, without limitation, all deposit accounts.

SECURITY COVENANTS

The Debtor hereby warrants and covenants: The collateral will be kept at the Debtor's address written on the reverse side. Except for the security interest granted in this instrument, the Debtor is the owner of the collateral free from any prior lien, security interest or other encumbrance and the Debtor will defend the collateral against all claims and demands of all persons at any time claiming the same or any interest thereon. No financing statement covering any of the collateral is on file in any public office. The Debtor will immediately notify the Secured Party of any change in any address shown in this agreement. The Debtor will on demand join with the Secured Party in executing one or more financing statements and other documents as the Secured Party may request to establish and maintain a valid security interest in the collateral subject to no prior liens, security interests or encumbrances. The Debtor will pay all costs of filing. The Debtor will keep the collateral in good order and repair and will not waste, destroy, sell, offer to sell, transfer or encumber the collateral or any part thereof. The Debtor will not use the collateral for hire nor in violation of any statute or ordinance. The Secured Party may examine and inspect the collateral at any reasonable time. Upon reasonable notice the Debtor will make the collateral available to the Secured Party for inspection purposes at a time and place to be designated by the Secured Party. The Debtor will pay when due all taxes, liens and assessments upon the collateral. In the event the Debtor fails to pay such taxes, liens, or assessments, the Secured Party, at its option, may make such payments for the Debtor and the amounts so paid shall become immediately due and owing. The Debtor will insure the collateral against substantial risk of damage, destruction and theft in an amount at least equal to the unpaid balance of the debt secured hereby. All policies of insurance shall contain endorsements making losses payable to the Secured Party as its interest may appear and such policies or certificates evidencing such endorsements shall be deposited with the Secured Party. If the Debtor fails to effect and keep in force such insurance or fails to pay the premiums thereon, the Secured Party may do so for the Debtor's account and any amounts so paid shall become immediately due and owing. In case of a decline in the market value of all or any of the collateral, the holder may demand that additional collateral be delivered, pledged and transferred as security.

Upon default or at any time thereafter unless said default has been cured, the Secured Party, at its option, without notice or demand, may declare the entire unpaid balance secured by this agreement immediately due and payable and shall have all the remedies of a Secured Party under the Uniform Commercial Code of Michigan or other applicable law, including, without limitation thereto, the right to take possession and hold or sell the collateral, and for that purpose the Secured Party may enter upon any premises where the collateral may be situated and remove the same therefrom. The Secured Party may require the Debtor to assemble and make the collateral available to it at a place to be designated by the Secured Party which is reasonably convenient to both parties. The Secured Party will give the Debtor reasonable notice of the time and place of any sale or other disposition thereof. Requirements of reasonable notice shall be met if such notice is mailed postpaid to the address of the Debtor as shown in this instrument at least five days before the sale or disposition. It shall be deemed commercially reasonable for the Secured Party after notice to the Debtor, as provided above, to dispose of the collateral at either public or private sale or sales in the discretion of the Secured Party. Proceeds derived from the sale or disposition of the collateral shall first be applied to the expenses of retaking, holding, preparing for sale, selling, reasonable attorney fees and legal expenses. In the event the proceeds shall not be sufficient to satisfy all of the Debtor's obligations to the Secured Party, the Debtor shall be liable for any deficiency, and agrees to pay the same forthwith.

DEFAULT

The following shall be events of default under this Note: (a) if default shall occur in the payment of any installment of principal or interest hereunder or in the payment of the principal or interest on any other indebtedness now or hereafter owing by the undersigned to Bank, as and when the same shall be or become due and payable; (b) in there shall be default in the performance of any other obligation to Bank under any of the Security Documents or any loan agreement or other agreement heretofore or hereafter entered into between the undersigned and Bank; (c) if any warranty or representation heretofore or hereafter made to Bank by the undersigned or any guarantor of all or part of the indebtedness evidenced by this Note ("Guarantor"); if any Security Document or in any financial statement, loan application or other document given to Bank, shall have been false in any material respect; (d) if the undersigned or any Guarantor shall die, dissolve, become insolvent, or make an assignment for the benefit of creditors; (e) if any levy, writ of attachment, garnishment, execution or similar process shall be issued against or placed upon any property of the undersigned or any Guarantor; (f) if at any time Bank for any reason shall in good faith believe that the prospect of payment or performance of any indebtedness or obligation of the undersigned to Bank is impaired. Upon the occurrence of any event of default, all or any part of the indebtedness evidenced hereby and all or any part of all other indebtedness and obligations then owing by the undersigned to Bank shall, at the option of Bank, become immediately due and payable without notice or demand. If a voluntary or involuntary case in bankruptcy, receivership or insolvency shall at any time be instituted by or against the undersigned or any Guarantor, then all such indebtedness and obligations shall automatically become immediately due and payable. All or any part of the indebtedness evidenced hereby also may become, or may be declared to be, immediately due and payable under the terms and conditions contained in any loan agreement, Security Document or other agreement heretofore or hereafter entered into between the undersigned and Bank.

SET OFF

Bank shall have the right at any time or times to apply its own indebtedness or liability of any kind to the undersigned or to any endorser or other party liable hereon by way of set-off, in whole or partial payment of any sum which shall at any time be due and payable to Bank under this Note.

REMEDIES

Bank shall have all of the rights and remedies provided by law and/or by agreement of the undersigned. Any requirement of reasonable notice with respect to any sale or other disposition of collateral shall be met if Bank sends the notice at least five (5) days prior to the date of sale or other disposition. The undersigned agree(s) to pay any and all expenses, including reasonable attorney's fees and legal expenses, paid or incurred by Bank in protecting and enforcing the rights of and obligations to Bank under any provision of this Note or any Security Document.

No delay by Bank in the exercise of any right or remedy shall operate as a waiver thereof. No single or partial exercise by Bank of any right or remedy shall preclude any other or future exercise thereof or the exercise of any other right or remedy. No waiver by Bank of any default shall be effective unless in writing and signed by Bank. No waiver of any right or remedy on one occasion shall be a waiver of that right or remedy on any future occasion.

The undersigned waive(s) demand for payment, presentment, notice of dishonor and protest of this Note and consent(s) to any extension or postponement of time of its payment, to any substitution, exchange or release of all or any part of any security given to secure this Note, to the addition of any party hereto, and to the release, discharge, waiver, modification, or suspension of any rights and remedies against any person who may be liable for the indebtedness evidenced by this Note.

GENERAL

If the undersigned are more than one person, firm or corporation, their liability on this Note is joint and several, and the term "undersigned" as used in this Note means each and all of them. In this Note, "maturity" means such time as the entire remaining principal balance of this Note shall be or become due and payable. This Note shall be governed by and interpreted in accordance with the laws of the State of Michigan, without giving effect to principles of conflict of laws. The undersigned agree(s) and consent(s) that any action against the undersigned for collection or enforcement of this Note may be brought in any state court in Ingham County, Michigan, or any federal court in Michigan, having jurisdiction of the subject matter, and that any such court shall have personal jurisdiction over the undersigned for purposes of such action. THE PROVISIONS OF ANY RIDER TO THIS NOTE WHICH IS EXECUTED BY BANK AND THE UNDERSIGNED ARE PART OF THIS NOTE.