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CERTIFICATE

INTERSTATE COMMERCE COMMISSION

I, Henry W. Palmer, hereby certify that the foregoing is a true copy of an original Security Agreement executed by and between Chittenden Trust Company, Lender and Vermont Railway, Inc., Debtor dated January 5, 1973, and I have compared this certified true copy with the original document and this certified true copy is a true and correct copy, in all respects.

Dated this 5th day of January, 1973.

Henry W. Palmer
Notary Public

My Commission Expires: February 10, 1973

SECURITY AGREEMENT

Date January 5, 19 73

Vermont Railway, Inc. 267 Battery Street Burlington Vermont
(Name of Debtor) (No. and Street) (City or Town) (County) (State)

(herein called "Debtor") hereby grants to
CHITTENDEN TRUST COMPANY

BURLINGTON, VERMONT

(herein called "Lender") a security interest in, and mortgages to Lender, the following described property, together with all equipment, parts, accessories, attachments, additions and other goods, and all replacements thereof, now or hereafter installed in, affixed to or used in connection with said property (herein collectively called the "Collateral"):

New Used	Year	Make Trade Name	Description	Road Number	Model Number	Serial Number
Used	1966	General Motors	1500 HP Locomotive	501	SW 1500	31990
Used	1950	Alco	1600 HP Locomotive	601	RS 3	78926
Used	1950	Alco	1600 HP Locomotive	602	RS 3	78071
Used	1952	Alco	1600 HP Locomotive	603	RS 3	80181
Used	1952	Alco	1600 HP Locomotive	604	RS 3	80188
New	1972	General Motors	2000 HP Locomotive	201	GP 38-2	7266-5-1

The interest of Lender in the Collateral shall secure Debtor's obligation to pay: (a) the note of Debtor, of even date herewith, payable to Lender, in the face amount of \$ 210,000.00, with interest thereon if therein specified,

(herein called the "Note"); (b) all costs and expenses incurred by Lender in the collection and enforcement of the Note and other indebtedness of Debtor to Lender described herein, and the security therefor; (c) all expenditures of Lender for taxes, levies, insurance, repairs to and maintenance of the Collateral; (d) all other liabilities of Debtor to Lender, now existing or hereafter incurred, matured or unmatured, direct or contingent, and any renewals and extensions thereof and substitutions therefor; and (e) interest on all of the foregoing. The term "indebtedness," as used herein, means the Debtor's obligations to Lender stated above.

If the Collateral is or is to be affixed to realty, a brief description of the realty is Debtor's address given above, or is

Debtor warrants that: (Check such items in paragraphs 1 and 2 as are applicable to this transaction)

- (1) the Collateral is used or bought for use primarily for
 - Personal, family or household use Business use Farming operations use
- (2) the loan proceeds of the Note are to be paid by Lender to
 - the seller of the Collateral, and/or to the insurance agent or broker from whom any insurance on the Collateral is to be obtained, and Debtor hereby authorizes Lender so to do; or
 - Debtor, who will promptly apply the loan proceeds, to or towards the payment of the purchase price of the Collateral, and for no other purpose; or
 - Debtor;
- (3) if the Collateral is used or bought for use primarily for personal, family or household purposes or for use in farming operations, that the Collateral is, or is intended promptly upon its acquisition by Debtor, to be kept at the address of Debtor given herein (which is his residence);
- (4) if the Collateral is used or bought for use primarily in business, including farming or profession, that Debtor's chief place of business in this state is given on the first full line of this agreement, and all of Debtor's other places of business, if any, are in the same county as said chief place of business, except for places of business at—

Debtor covenants: that Debtor will give Lender prompt written notice of (i) any changes in his residence if warranty (3) above applies, or (ii) the establishment and discontinuance of any of its places of business if warranty (4) above applies.

This agreement is subject to the additional provisions set forth on the reverse side hereof, the same being incorporated herein by reference.

CHITTENDEN TRUST COMPANY

By *Frederic D. Anderson*
(Signature and Title) Vice President
 (to be executed by Bank if agreement is to be filed)

Joseph H. Wilson (SEAL)
VERMONT RAILWAY, INC. (SEAL)
(Debtor)
 By _____
(Signature and Title) President
 By _____
(Signature and Title)

CORPORATE FORM OF ACKNOWLEDGMENT

STATE OF VERMONT
COUNTY OF CHITTENDEN, SS.

On this 5th day of January, 1973, before me personally appeared Jay L. Wulfson, to me personally known, who being by me duly sworn, says that he is the President of Vermont Railway, Inc., 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 the corporation.


Notary Public

(Seal)

My Commission Expires: February 10, 1973

STATE OF VERMONT
COUNTY OF CHITTENDEN, SS.

On this 5th day of January, 1973, before me personally appeared Howard G. Macdonald, to me personally known, who being by me duly sworn, says that he is the Vice President of Chittenden Trust 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 the corporation.


Notary Public

(Seal)

My Commission Expires: February 10, 1973