

SECOND NATIONAL BANK

101 NORTH WASHINGTON AVENUE • SAGINAW, MICHIGAN 48607 • 517-776-7490

6/6/85
Mildred

RECORDATION NO. 14693
Filed 1425

JUN 6 1985 - 2 30 PM

June 3, 1985

RECORDATION NO. 14693
Filed 1425

JUN 6 1985 - 2 30 PM

INTERSTATE COMMERCE COMMISSION
Interstate Commerce Commission
12th Street & Constitution Avenue, N.W.
Washington D.C., Washington 20423
Attn: Mildred Lee, Room 2303

INTERSTATE COMMERCE COMMISSION

Dear Mildred;

Attached are two documents with copies; a Secured Promissory Note, dated May 17, 1985 and Security Agreement Chattel Mortgage, dated May 17, 1985 with copies. Second National Bank of Saginaw, Michigan has made a loan to the TUSCOLA & SAGINAW BAY RAILWAY COMPANY, INC., of Vassar, Michigan in which part of our collateral consists of two (2) locomotives and one (1) business railway car which we are looking to perfect our security interest in those three (3) units with the Interstate Commerce Commission. Specifically, the three (3) units that we are looking to file with your office are:

- One (1) 1946 ALCO Diesel Locomotive Model #RS-2, Engine #466.
- One (1) Model NW2 1200 H.P. G.M. Locomotive, Road Number 1977.
- One (1) Business Railway Car, built 1917, rebuilt 1979, Number 1, including all furniture and fixtures.

Attached is a cashiers check for \$20.00 payable to the Interstate Commerce Commission for the recording of the attached documents. If you have any questions, please feel free to call me.

Sincerely,



Richard A. Barratt
Assistant Vice President
Commercial Loan Department

RAB:jab

Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

6/6/85

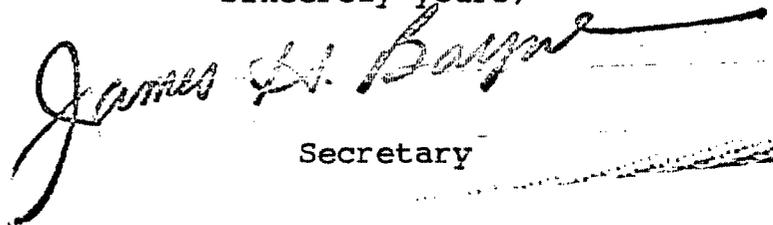
OFFICE OF THE SECRETARY

Richard A Barratt
Assist Vice Presl.
Second Natl. Bank
101 North Washington Ave.
Saginaw, Michigan 48607

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 6/6/85 at 2:30pm and assigned re-
recording number(s). 14693 & 14693-A

Sincerely yours,


Secretary

Enclosure(s)

REGISTRATION NO. 14693
FILED 1425

SECURED PROMISSORY NOTE

JUN 6 1985 - 2 30 PM

INTERSTATE COMMERCE COMMISSION

BORROWER(S): TUSCOLA AND SAGINAW BAY RAILWAY COMPANY, INC.

NOTE DATE : May 17, 1985

DUE DATE : On Demand

NUMBER : _____

INSTALMENTS: 11 monthly payments of \$10,000.00 plus interest

The undersigned (jointly & severally) promise to pay to the order of Second National Bank of Saginaw ("Bank"), Saginaw, Michigan, at its Main or any Branch Office, One Hundred Ten Thousand and No/100 * * * Dollars (\$ 110,000.00 **) in the following instalments: \$ 10,000.00, ~~including~~ plus interest, on the 27th day of each calendar month, commencing May 27, 19 85, and continuing until 11 of such instalments shall have been paid, at the rate of * % per annum, payable with each instalment so long as there exists no default in the payment of any instalment of principal or interest, and with interest at the rate of ** % per annum, after maturity, whether by acceleration or otherwise, and all cost of collection and attorney's fees, all without relief from valuation or appraisal laws.

The maker(s) and indorser(s) severally waive demand, presentment, protest, notice of protest and notice of nonpayment or dishonor of this note, and each of them consents to extensions of the time of payment of this note.

As security for the payment of this note and for all of the other liabilities and obligations of the undersigned, and each of them, if there are more than one, to the Bank, however created, acquired, arising or evidenced, direct or contingent, now or hereafter owing, the undersigned hereby gives to the Bank a first and prior lien upon and a security interest in all personal property, or the interest therein which is owned by the undersigned, which is now in, or which may hereafter come into, possession of the Bank. The balance of every account of the undersigned with, and each claim of the undersigned against, the Bank existing from time to time, shall be subject to a lien and subject to be set off against any and all liabilities of the undersigned to the Bank, and the Bank may at any time or from time to time at its option and without notice appropriate and apply toward the payment of any of such liabilities the balance of each such account of the undersigned with, and each such claim of the undersigned against, the Bank.

Any or all of the liabilities and obligations, including this Note, of the undersigned, and each of them, to the Bank shall, at the option of the Bank and notwithstanding any time or credit allowed by any instrument evidencing a liability or obligation, be immediately due and payable without notice or demand upon the occurrence of any of the following events of default:

- (a) default in the payment or performance when due or payable, or any liability or obligation of the undersigned, or of any indorser, guarantor, or surety for any liability or obligation of the undersigned to the Bank;

*1% over the rate announced from time to time by the bank as its prime rate
 **2% over thereafter, not to exceed maximum rate allowable by law

(b) failure of the undersigned to pay when due any tax or any premium on any life insurance policy assigned to the Bank as Collateral; (c) the making by the undersigned of any misrepresentation to the Bank for the purpose of obtaining credit or an extension of credit; (d) failure of the undersigned after request by the Bank to furnish financial information or to permit the inspection of books or records and/or collateral; (e) issuance of an injunction or attachment against property of the undersigned; (f) calling of a meeting of creditors, appointment of a committee of creditors or liquidating agents, or offering of a composition or extension to creditors by, for or of the undersigned; (g) insolvency of the undersigned or any indorser, guarantor or surety for any liability or obligation of the undersigned to the Bank; (h) such a change in the condition or affairs (financial or otherwise) of the undersigned or of any indorser, guarantor or surety for any liability or obligation of the undersigned to the Bank as in the opinion of the Bank impairs the Bank's security or increases its risk; or (i) the Bank deems itself insecure for any reason whatsoever.

The term "Insolvency" of the undersigned or any other person means that there shall have occurred with respect to the undersigned or that person one or more of the following events: death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the filing of a petition in bankruptcy or the commencement of any proceedings under any bankruptcy or insolvency laws, or any laws relating to the relief of debtors; readjustment of indebtedness, reorganization, composition, or extension, by or against, such person.

If this note is transferred by the Bank, then thereafter the words "the Bank" shall become and mean "the holder hereof."

This note, and any extensions or renewals hereof are secured by each of the following executed in favor of and delivered to the Bank to which reference is hereby made:

General assignment of accounts receivable, chattel mortgage on machinery and equipment, office furniture and fixtures, and mortgages on real estate.

ADDRESS:

538 East Huron Avenue
Vassar, MI 48768

TUSCOLA AND SAGINAW BAY RAILWAY COMPANY, INC.

X

X

DISBURSEMENT:

OFFICER: RAB

NUMBER 118

JAMES EDWARD WHEELER II

Notary Public, Saginaw County, Mich.

Acting in SBcd178 County, Mich.

My Commission Expires Oct. 12, 1985.

STATE OF MICHIGAN)

County of Tuscola) ss

The foregoing instrument was acknowledged before me this date, MAY 31, 1985, by P.J. DeWolf and Maynard Ritter who are the President and Vice President of Tuscola and Saginaw Bay Railway Company, Inc., a Michigan corporation, on behalf of the corporation.

James Edward Wheeler II
Notary Public

TUSCOLA County, Michigan

My commission expires OCT 12, 1985 198