



STATE OF VERMONT  
OFFICE OF THE ATTORNEY GENERAL

TRANSPORTATION DIVISION

133 STATE STREET  
STATE ADMINISTRATION BUILDING  
MONTPELIER, VERMONT 05602  
TEL. 802-828-2831

1 5111

RECORDATION NO. \_\_\_\_\_ Filed & Recorded

DEC 3 1986 12-5 5 PM

INTERSTATE COMMERCE COMMISSION

6 337A061

November 17, 1986

cc.

DEC 3 1986

Date .....

Fee \$ .....

ICC Washington, D. C.

Ms. Noreta R. McGee, Secretary  
Interstate Commerce Commission  
12th and Constitution Avenue, N.W.  
Washington, DC 20423

Re: Lamoille Valley Railroad Company

Dear Ms. McGee:

Enclosed for recording with the Interstate Commerce Commission are the original and one copy of a Chattel Mortgage from the Lamoille Valley Railroad Company to the State of Vermont Agency of Transportation granting the State a security interest in the Railroad's locomotives, together with a check in the amount of \$50.00 for the filing fee.

Please return the copy to me, indicating your recording number.

Thank you for your anticipated cooperation.

Very truly yours,

John K. Dunleavy  
Assistant Attorney General

DEC 3 12 45 PM '86  
100 OFFICE  
1111

JKD:vwb

Enclosures

cc Robert A. Gensburg, Esq.

Interstate Commerce Commission

Washington, D.C. 20423

12/3/86

OFFICE OF THE SECRETARY

John K Dunleavy  
State Of Vermont  
Office of the Attorney General  
Transp. Div. 133 State St  
State Adminst. Building  
Montpelier Vermont 05602

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 12/3/86 at 12:55pm, and assigned recordation number(s). 15111

Sincerely yours,

*Noreta R. McGee*  
Secretary

Enclosure(s)

SE-30  
(7/79)

DEC 3 1986 12-05 PM

This Chattel Mortgage made this 12<sup>th</sup> day of November, 1986 by and between LAMOILLE VALLEY RAILROAD COMPANY, a Vermont corporation having a place of business in Morrystown in the County of Lamoille and State of Vermont (hereinafter "mortgagor"), and THE STATE OF VERMONT (hereinafter "mortgagee")

INTERSTATE COMMERCE COMMISSION

WITNESSETH:

1. Mortgagor mortgages to mortgagee equipment shown on Schedule A attached hereto as security for the payment by mortgagor to mortgagee of mortgagor's indebtedness of \$140,500.00, pursuant to the terms of that certain loan agreement entered into by and between mortgagor and mortgagee on June 21, 1984.

2. Mortgagor agrees and covenants with mortgagee that
- a) the mortgage collateral is free from any and all encumbrances,
  - b) mortgagor will warrant and defend forever mortgagee's lien in the collateral against all and every person or persons, and against all and every claim or claims, whatsoever,
  - c) mortgagor will cause the collateral to be insured against loss due to damage or destruction in an amount at least equal to the full insurable value thereof, or the amount due under the loan agreement, whichever is less, for the benefit of mortgagee and mortgagee's successors and assigns, in such form and with such insurance company as mortgagee shall approve,
  - d) mortgagor will pay or cause to be paid all taxes and assessments that may be levied on the collateral, and
  - e) the proceeds of the collateral, or the additions and betterments thereto, or accretions thereto, are subject to and secured by this Chattel Mortgage.

3. The collateral is railroad equipment, and accordingly shall at all times be used and maintained solely and in strict adherence to the rules and regulations of the American Association of Railroads, Interstate Commerce Commission, United States Department of Transportation, and other agencies and associations having regulatory or contractual authority over the use of railroad equipment; however, the collateral need not be kept in any one place, and by the acceptance of hereof mortgagee consents to the use of the collateral through out the United States, Canada, and Mexico in railroad interchange service.

4. As long as mortgagee has not declared a default under the loan agreement, mortgagor, or mortgagor's trustees, agents or other persons authorized by mortgagor to have possession of the property, shall be entitled to retain possession of the collateral and to use and enjoy the same.

5. In the event mortgagee rightfully takes possession of the collateral for any reason whatsoever, mortgagee may sell the same at public auction or private sale as in mortgagee's sole and exclusive discretion shall be the most commercially reasonable method to dispose of collateral. In the event of such sale, mortgagee will give to mortgagor at least fifteen days' prior written notice of the time and place of any such sale.

6. In the event of the default hereunder or a default under the terms of the loan agreement, mortgagor shall pay to mortgagee such costs as mortgagee shall incur when exercising its rights hereunder including but not limited to reasonable attorneys' fees actually incurred and paid by mortgagee.

7. If mortgagee shall rightfully sell the collateral at public or private sale as described above, and as a result thereof shall not recover the indebtedness which this chattel mortgage secures, together with mortgagee's costs of sale and costs of protecting itself, mortgagor shall pay any such deficiency to mortgagee; in the event the proceeds of such sale exceed all of mortgagee's such costs, such excess shall be paid by mortgagee to mortgagor.

8. Mortgagor shall keep or cause the property to be kept in as good condition as it is at the time of the execution of this chattel mortgage, reasonable wear and tear excepted; mortgagor shall further inspect and maintain the collateral, or cause the same to be inspected and maintained, strictly in accord with the rules and regulations of the American Association of Railroads, Interstate Commerce Commission, and United States Department of Transportation.

IN WITNESS WHEREOF mortgagor has executed this Chattel Mortgage this 12th day of November, 1986.

IN PRESENCE OF:

LAMOILLE VALLEY RAILROAD COMPANY

Rose R. Paine

By: Robert A. Gensburg  
Duly Authorized Agent

Lonnie Nason

STATE OF VERMONT  
CALEDONIA COUNTY, SS.

At St. Johnsbury in said County and State this 12th day of November, 1986, Robert A. Gensburg, duly authorized agent for Lamoille Valley Railroad Company, personally appeared and he acknowledged the foregoing Chattel Mortgage by him subscribed to be his free act and deed and the free act and deed of Lamoille Valley Railroad Company.

Before me, Rose R. Paine  
Notary Public

My commission expires: 2/10/87

SCHEDULE A

ALCO RS 3 locomotive number 7801, serial number 79665

ALCO RS 3 locomotive number 7802, serial number 80537

ALCO RS 3 locomotive number 7803, serial number 80161

ALCO RS 3 locomotive number 7804, serial number 80184

ALCO RS 3 locomotive number 1601

ALCO RS 3 locomotive number 1602

ALCO RS 3 locomotive number 7805

one gondola car