

LAW OFFICES OF  
GENSBURG AXELROD & ADLER

A PROFESSIONAL CORPORATION

RICHARD A AXELROD  
ROBERT A GENSBURG  
STEVEN A ADLER

33 MAIN STREET  
P O. BOX 189  
ST. JOHNSBURY, VERMONT 05819  
(802) 748-8161

April 2, 1991

Interstate Commerce Commission  
Attn: Mildred Lee, Room 2303  
12th and Constitution Avenue, N.W.  
Washington, DC 20423

1-098A056 17278  
RECORDED IN \_\_\_\_\_ FILED IN \_\_\_\_\_  
APR 8 1991 -12:30 PM  
INTERSTATE COMMERCE

Re: Chattel Mortgage from Howard Manosh to Caledonia National Bank

Dear Ms. Lee:

Thank you for your telephone call today to my secretary. Enclosed please find a certified copy of the above-referenced Chattel Mortgage and a check in the amount of \$15.00 for the recording fee. I understand you will return to me the check for \$50.00. I sent the original of the above-referenced Chattel Mortgage to you with my letter of March 28, 1991.

The names and addresses of the parties to the document are as follows:

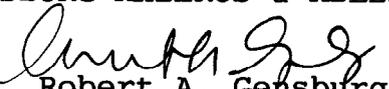
Mortgagor: Howard A. Manosh  
Route 100 Box 690  
Morrisville, VT 05661

Mortgagee: Caledonia National Bank  
P.O. Box 195  
Danville, VT 05828

Please return the original Chattel Mortgage to me with your recording certification. Thank you for your assistance.

Very truly yours,

GENSBURG AXELROD & ADLER

By:   
Robert A. Gensburg

sa

enclosures (2)

c: Caledonia National Bank  
Attn: Robert Platka

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APR 11 12 21 PM '91

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April 4, 1991

Interstate Commerce Commission  
Attn: Mildred Lee, Room 2303  
12th and Constitution Avenue, N.W.  
Washington, DC 20423

Re: Chattel Mortgage from Howard Manosh to Caledonia National  
Bank

Dear Ms. Lee:

Enclosed please find a certified copy of the above-mentioned  
Chattel Mortgage, which copy was inadvertently not enclosed with  
Mr. Gensburg's letter of April 2, 1991.

Very truly yours,

GENSBURG AXELROD & ADLER

  
By: Secretary to Mr. Gensburg

sa

enclosure

**Interstate Commerce Commission**

Washington, D.C. 20423

4/10/91

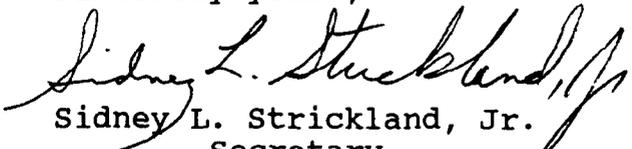
OFFICE OF THE SECRETARY

Robert A. Gensburg  
Gensburg Axelord & Adler  
33 Main Street  
P. O. Box 189  
St. Johnsbury, Vermont 05819

Dear  
Sirs:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 4/8/91 at 12:30PM, and assigned recordation number(s). 17278.

Sincerely yours,

  
Sidney L. Strickland, Jr.  
Secretary

APR 8 1991 -12:30 PM

INTERSTATE COMMERCE COMMISSION

CHATTEL MORTGAGE

This chattel mortgage is made as of the 26th day of March, 1991, by and between HOWARD A. MANOSH of Hyde Park, Lamoille County, Vermont (hereinafter "mortgagor"), and CALEDONIA NATIONAL BANK of Danville, Caledonia County, Vermont (hereinafter "mortgagee"), WITNESSETH:

1. Mortgagor mortgages to mortgagee 3 Alco RS-11 locomotives bearing identification marks LV3601, LV3608 and LV3612 (the "collateral") as security for the payment by mortgagor to mortgagee of mortgagor's promissory note of even date herewith.
2. Mortgagor agrees and covenants with mortgagee that
  - a. The collateral is free and clear from all encumbrances except a chattel mortgage owned by the State of Vermont,
  - 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 lesser of a) full insurable value thereof, b) \$30,000.00, or c) the amount due under the June 21, 1984 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 the accretions thereto, or the substitutions thereof, 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 with respect to the use of the railroad equipment; however, the collateral need not be kept in any one place, and by the acceptance hereof mortgagee consents to the use of the collateral throughout the United States, Canada, and Mexico.

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 collateral, 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 the 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. Mortgagor shall keep or cause the collateral to be kept in as good condition as it is at the time of the execution of this chattel mortgage, reasonable and ordinary wear and tear excepted; mortgagor shall 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 26th day of March, 1991.

IN PRESENCE OF:

Robert D. Blalock  
JANICE HEAL-KRUMHOLTZ

Howard A. Manosh  
Howard A. Manosh

STATE OF VERMONT  
COUNTY OF Caledonia, ss.

At Danville, Vermont this 26th day of March, 1991, HOWARD A. MANOSH personally appeared, and he acknowledged the foregoing, by him subscribed, to be his free act and deed.

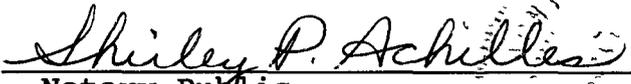
Before me, Robert D. Blalock  
Notary Public  
My Commission Expires: 2/10/95

STATE OF VERMONT  
CALEDONIA COUNTY, ss.

CERTIFICATE

I hereby certify that I have compared the foregoing copy of a March 26, 1991, Chattel Mortgage between Howard A. Manosh and Caledonia National Bank with the original and have found said copy to be complete and identical in all respects to the original document.

Dated at St. Johnsbury, Vermont, this 2nd day of April,  
1991.

  
\_\_\_\_\_  
Notary Public

My Commission Expires: 2/10/95