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May 8, 2000

RECORDATION NO. 21301-A FILED

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

MAY 8 '00 12-1 3 PM  
TS  
SURFACE TRANSPORTATION BOARD

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies of a Commercial Security Agreement, dated April 1, 1998, a secondary document, as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Security Agreement which was previously filed with the Board under Recordation Number 21301.

The names and addresses of the parties to the enclosed document are:

Debtors: Guilford Transportation Industries, Inc.  
14 Aviation Avenue  
Portsmouth, NH 03801

Boston and Maine Corporation  
Maine Central Railroad Company  
Springfield Terminal Railway Company  
Iron Horse Park  
North Billerica, Massachusetts

Secured Party: Bank of New Hampshire  
300 Franklin Street  
Manchester, New Hampshire 03101

Mr. Vernon Williams  
May 8, 2000  
Page Two

A description of the railroad equipment covered by the enclosed document is:

92 locomotives and 826 railcars attached hereto.

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee and cross-indexing fee.

Kindly return stamped copies of the enclosed documents to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/cc  
Enclosures

COMMERCIAL SECURITY AGREEMENT

SURFACE TRANSPORTATION BOARD

This Commercial Security Agreement dated April 1, 1998 is among Guilford Transportation Industries, Inc. ("GTI"), a Delaware corporation having a principal place of business at 14 Aviation Avenue, Protsmouth, NH 03801; Boston and Maine Corporation ("B&M"), a Delaware corporation having a principal place of business at Iron Horse Park, North Billerica, Massachusetts; Maine Central Railroad Company ("MCRC"), a Maine corporation having a principal place of business at Iron Horse Park, North Billerica, Massachusetts; Springfield Terminal Railway Company ("STRC"), a Vermont corporation having a principal place of business at Iron Horse Park, North Billerica, Massachusetts; and Bank of New Hampshire (the "Secured Party"), a New Hampshire banking institution having an address of 300 Franklin Street, Manchester, New Hampshire 03101. GTI, B&M, MCRC and STRC are collectively referred to herein as the "Debtors". B&M, MCRC and STRC are wholly-owned subsidiaries of GTI.

Under a certain loan agreement (the "Loan Agreement") of even date herewith among Secured Party and the Debtors, Secured Party is extending credit to the Debtors in the form of a \$10,000,000.00 line of credit.

In order to secure all of the obligations of the Debtors to the Secured Party, the Debtors are granting a security interest under this agreement in certain of the Debtors' property. Accordingly, the parties agree as follows:

1. Creation of Security Interest. In order to secure the payment, performance or observance of the Obligations (as defined in section 2 below), each of the Debtors hereby grants to the Secured Party a continuing security interest in the following property of the Debtors wherever located and whether now owned or existing or hereafter acquired, and in all additions and accessions thereto or substitutions or replacements therefor, and in all products and proceeds (including insurance proceeds) thereof (collectively, the "Collateral"):

(a) All railroad cars, locomotives, and other rolling stock, and accessories used on such railroad cars, locomotives, and other rolling stock (including superstructures and racks) more particularly described in Schedule A attached hereto (collectively, the "Rolling Stock"); and

(b) All accounts and accounts receivable now existing or hereafter arising for payment of services including the transportation of goods (except for accounts with respect to which the account debtor is a non-Borrower railroad and accounts with respect to which the account debtor is a governmental entity and are for services other than the transportation of goods), whether owned now or acquired later; all accessions, additions, replacements and substitutions therefor; all records of any kind relating to the foregoing; and all proceeds thereof (including insurance, general intangibles and other accounts proceeds) (collectively, the "Accounts").

2. Obligations. "Obligations" means any and all liabilities and obligations of each Debtor to the Secured Party of every kind and description, direct or indirect, absolute or contingent, primary or secondary, due or to become due, now existing or hereafter arising or acquired, sole, joint or several, regardless of how they arise or by what agreement or instrument they may be evidenced or whether evidenced by any instrument, and includes obligations to perform acts and refrain from taking action as well as obligations to pay money. Obligations includes, without limitation, "Obligations" as defined in the Loan Agreement.

3. Representations, Warranties and Covenants of the Debtor. The Debtors jointly and severally represent, warrant and covenant as follows:

3.1 Title. Each Debtor is, or at the time of the acquisition thereof will be, the lawful owner of the Collateral in which it is purporting to grant a security interest hereunder, and has the full right and authority to grant the security interests in the Collateral as provided for hereunder, and the security interest granted to the Secured Party in the Collateral shall constitute a valid and binding second priority lien enforceable in accordance with its terms, subject only to the security interest granted to the Bank under a Commercial Security Agreement dated April 1, 1998, recorded with the Surface Transportation Board as Recordation No. 21301,(the "April 1998 Security Interest").

3.2 No Transfer. No Debtor will sell, transfer or dispose of the Collateral or any interest therein without the prior written consent of the Secured Party.

3.3 Liens. Except for the lien permitted under Subsection 3.1 above, there are no adverse liens, encumbrances or security interests in or on the Collateral and the Collateral shall continue to be free from all liens, encumbrances and security interests or other claims in favor of others, and each Debtor will warrant and defend the Collateral and the Secured Party's security interest therein as a first lien from all claims and demands of all persons. No financing statement or other recording covering the Collateral is on file in any public office except those (i) relating to the security interests created hereunder or referred to in Subsection 3.1 above, (ii) relating to obligations which have been fully discharged or (iii) which are no longer effective because they have not been continued in timely fashion.

3.4 Taxes. Each Debtor will pay or cause to be paid promptly when due all taxes, assessments or other governmental charges on or with respect to the Collateral.

3.5 Offices. Each Debtor's chief executive office and the office at which its records concerning its Accounts are kept is shown on Schedule B attached hereto. Each Debtor agrees promptly to notify the Secured Party in writing of any change in the location of its chief executive office, the office where its Account records are kept and of any change in its name, identity or corporate structure.

3.6 Names. The exact legal name of each Debtor is as shown on Schedule B, and all trade names used by each Debtor in the last ten years is listed on Schedule B. Schedule

B also includes the legal names of persons or entities with whom any of the Debtors has merged or from whom any Debtor purchased substantially all of such persons or entity's assets, in each case within the last ten years.

3.7 Location of Rolling Stock. The locomotives described in Schedule A are and shall be used in the Debtors' businesses on or in connection with the Guilford Rail System, ~~and shall not be used on or in connection with any other rail system without the prior written consent of the Secured Party.~~ <sup>AND ROLLING STOCK</sup> The locomotives described in Schedule A are and shall be used in connection with the national rail system and shall not be removed therefrom without the prior written consent of the Secured Party. *mez*

3.8 Maintenance and Use. Each Debtor will, at its own cost and expense, maintain the Rolling Stock in good repair and condition and will keep, maintain and use the Rolling Stock in accordance with all applicable laws, rules and regulations (governmental or otherwise).

3.9 Insurance. Each Debtor will cause the Rolling Stock to be insured at all times as provided in the Loan Agreement and such insurance shall be payable first, in case of loss, to the Secured Party as its interest appears, subject to the rights of prior liens, if any, referred to in Subsection 3.3. The security interest granted to the Secured Party shall extend to the proceeds of such insurance. All policies of insurance shall contain a provision forbidding cancellation until at least fifteen days written notice is given to the Secured Party.

3.10 Secured Party's Rights to Protect Collateral. In the event that any Debtor has not done so in accordance with this agreement, the Secured Party may, at its option, discharge liens or security interests or other encumbrances at any time levied or placed on the Collateral, may pay for insurance on the Collateral and may pay for the maintenance and preservation of the Collateral. The Debtors agree to reimburse the Secured Party on demand for any payment made or any expense incurred by the Secured Party pursuant to the foregoing authorization. Until default, the Debtors may have possession of the Collateral and use it in any lawful manner not inconsistent with this Security Agreement, the Loan Agreement and the other Loan Documents (as defined in the Loan Agreement) and not inconsistent with any policy of insurance thereof.

3.11 Notice to Account Debtors on Default. After a default hereunder, the Secured Party may notify any or all Account debtors of the Debtors that the Collateral has been assigned to the Secured Party and that payments shall be made directly to the Secured Party. Upon request of the Secured Party after a default hereunder, the Debtors will also notify such Account debtors and will indicate in all billings to such Account debtors that their accounts must be paid to the Secured Party. The Secured Party shall have full power to collect, compromise, endorse, sell or otherwise deal with the Collateral, and to obtain, adjust, settle and cancel any insurance on the Collateral, in its own name or in the name of the Debtors. Each of the Debtors hereby irrevocably appoints the Secured Party as such Debtor's true and lawful attorney, with full power of substitution: to endorse the name of such Debtor upon any notes, checks, drafts, money

orders, or other instruments of payment (including payments payable under any policy of insurance on the Collateral) or Collateral that may come into possession of the Secured Party; to sign and endorse in the name of such Debtor on any invoice, freight or express bill, bill of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications and notices in connection with accounts, and any instrument or document relating thereto or to such Debtor's rights therein; and to give written notice to such office and officials of the United States Post Office to effect such change or changes of address so that all mail addressed to such Debtor may be delivered directly to the Secured Party.

3.12 Federal Accounts. If any Account arises out of a contract with the federal government, the Debtors will so notify the Secured Party, will specifically assign such contract to the Secured Party and will cooperate with the Secured Party to give notice of such assignment under the Assignment of Claims Act.

3.13 Legends on Instruments. At the request of the Secured Party from time to time, the Debtors shall cause any instrument, chattel paper or document of title included in the Collateral to be delivered to the Secured Party or any agent or representative designated by it, or shall cause a legend referring to the security interest of the Secured Party to be placed on such instruments, chattel paper or documents of title and upon any ledgers or other records concerning the Collateral.

3.14 Action to Perfect. The Debtors shall execute, deliver, and file or record in public offices at their expense all instruments and documents and shall otherwise take such action or cause such action to be taken, as the Secured Party may reasonably deem necessary or appropriate to perfect or to more fully assure the rights and interests intended to be transferred and granted to the Secured Party.

3.15 Inspection. The Debtors will at all reasonable times and from time to time allow the Secured Party or its agents to examine and inspect and make extracts from the Debtors' books and other records, to arrange for verification of the Accounts, under reasonable procedures, directly with account debtors or by other methods, and to inspect and arrange for verification of any other Collateral.

3.16 Reimbursement. The Debtors will reimburse the Secured Party for all costs and expenses including reasonable attorneys' fees in enforcing the Secured Party's rights hereunder.

4. Default. The Debtors shall be in default hereunder if an Event of Default (as defined in the Loan Agreement) has occurred.

5. Secured Party's Remedies Upon Default. Upon any default hereunder and at any time thereafter the Secured Party shall have the rights and remedies of a Secured Party under the Uniform Commercial Code and all other applicable law in addition to the rights and remedies

provided in this agreement, the Loan Documents (as defined in the Loan Agreement) or any other instrument or document furnished in connection therewith. The Secured Party may require the Debtors to assemble the Collateral and make it available to the Secured Party at a place to be designated by the Secured Party which is reasonably convenient to both parties. Whenever notification with respect to the sale or other disposition of the Collateral is required by law, such notification of the time and place of public sale, or the date after which a private sale or any other intended disposition is to be made, shall be deemed reasonable if mailed, postage prepaid, to the affected Debtor at least ten days before the time of the sale or disposition. Expenses of retaking, holding, preparing for sale, selling or the like shall include the Secured Party's reasonable attorneys' fees and legal expenses. Nothing in this Section 5 shall limit any rights and remedies available hereunder or at law to the Secured Party upon the occurrence of any default, all of which rights and remedies are to be treated as cumulative and not exclusive, and the Secured Party may upon any default exercise any or all of such rights and remedies in such order and at such times as the Secured Party may elect.

6. Setoff. In order to secure the payment and performance of the Obligations, each Debtor grants to the Secured Party a security interest in and a right of setoff with respect to any and all deposits or other sums at any time or times credited by or due from such Debtor and with respect to all securities or other property in its possession at any time or times. The Secured Party may at any time after any default hereunder, without any demand or notice, except to such extent as notice may be required by applicable law and regardless of the adequacy of any collateral, (i) apply or setoff such deposits or other sums and (ii) sell or dispose of any or all of such securities or other property pursuant to the rights and remedies accorded secured parties under the Uniform Commercial Code.

7. Termination. At such time as all Obligations have been paid, performed and discharged in full and so long as the Secured Party has no obligation of any kind at such time to make any advance to any Debtor under the Loan Agreement (or any other agreement), the Secured Party shall, upon written request from the Debtors, execute and deliver an appropriate discharge of the security interest granted hereunder.

8. Miscellaneous.

8.1 Notices. All notices to and any demand upon any Debtor shall be in writing and shall be deemed sufficiently given if given as provided in the Loan Agreement or deposited in the mail (certified mail, return receipt requested) addressed to such Debtor at the following address or at such other address as the Debtor may hereafter establish by written notice received by the Secured Party:

c/o Guilford Transportation Industries, Inc.  
14 Aviation Avenue  
Portsmouth, NH 03801  
Attn.: Michael A. Holmes, Vice President-Finance

8.2 No Waiver. No delay or failure on the part of the Secured Party in exercising any right, power or privilege under this agreement or under any document or instrument furnished in connection herewith shall impair any such right, power or privilege or be construed as a waiver of any default or consent to any action by any Debtor. No single or partial exercise of any such right, power or privilege shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. No waiver shall be valid against the Secured Party unless made in writing.

8.3 Successors and Assigns. All rights of the Secured Party hereunder shall inure to the benefit of its successors and assigns; and all obligations of each Debtor hereunder shall bind its successors and assigns. This agreement may be assigned by the Secured Party at any time, but may not be assigned by any Debtor.

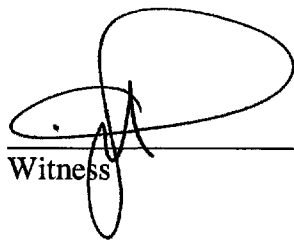
8.4 Amendments. This agreement may not be amended or modified except in a writing signed by the parties to be bound.

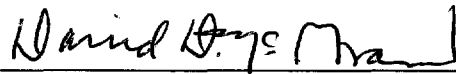
8.5 Captions. The captions of this agreement are for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

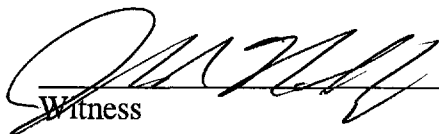
8.6 Counterparts. This agreement may be executed in several counterparts, each of which shall be deemed an original.

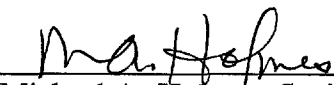
8.7 Governing Law. This agreement and all documents and instruments furnished in connection herewith shall be governed by and interpreted in accordance with the laws of New Hampshire.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the date first above written.

  
\_\_\_\_\_  
Witness

SECURED PARTY:  
BANK OF NEW HAMPSHIRE  
  
\_\_\_\_\_  
David D. McGraw, Senior Vice President

  
\_\_\_\_\_  
Witness

DEBTORS:  
GUILFORD TRANSPORTATION  
INDUSTRIES, INC.  
  
\_\_\_\_\_  
Michael A. Holmes, Senior Vice President-Finance



[Signature]  
Witness

BOSTON AND MAINE CORPORATION

Michael A. Holmes  
Michael A. Holmes, Senior Vice President-Finance

[Signature]  
Witness

MAINE CENTRAL RAILROAD COMPANY

Michael A. Holmes  
Michael A. Holmes, Senior Vice President-Finance

[Signature]  
Witness

SPRINGFIELD TERMINAL RAILWAY COMPANY

Michael A. Holmes  
Michael A. Holmes, Senior Vice President-Finance

STATE OF NH  
COUNTY OF Rockingham

The foregoing instrument was acknowledged before me this 16<sup>th</sup> day of December, 1999, by David D. McGraw, Senior Vice President of Bank of New Hampshire, who acknowledged the foregoing as his free act and deed and the free act and deed of Bank of New Hampshire.

[Signature]  
Allen Gould  
(Print Name)

Notary Public/~~Justice of the Peace~~  
My Commission Expires: ALLEN S. GOULD, Notary Public  
My Commission Expires October 4, 2000

STATE OF MASSACHUSETTS  
COUNTY OF MIDDLESEX

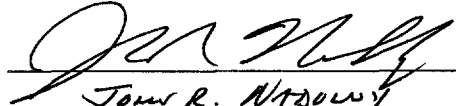
The foregoing instrument was acknowledged before me this 14<sup>th</sup> day of December, 1999, by Michael A. Holmes, Senior Vice President-Finance of Guilford Transportation Industries, Inc., who acknowledged the foregoing as his free act and deed and the free act and deed of Guilford Transportation Industries, Inc.

[Signature]  
Tom R. Nicolini  
(Print Name)

Notary Public/Justice of the Peace  
My Commission Expires: 7/6/2001

STATE OF MASSACHUSETTS  
COUNTY OF MIDDLESEX

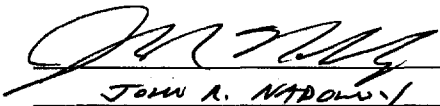
The foregoing instrument was acknowledged before me this 14<sup>th</sup> day of December, 1999, by Michael A. Holmes, Senior Vice President-Finance of Boston and Maine Corporation, who acknowledged the foregoing as his free act and deed and the free act and deed of Boston and Maine Corporation.

  
\_\_\_\_\_  
John R. Nadolny  
(Print Name)

Notary Public/Justice of the Peace  
My Commission Expires: 7/6/2001

STATE OF MASSACHUSETTS  
COUNTY OF MIDDLESEX

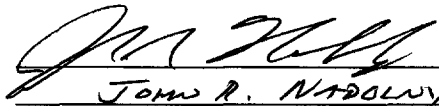
The foregoing instrument was acknowledged before me this 14<sup>th</sup> day of December, 1999, by Michael A. Holmes, Senior Vice President-Finance of Maine Central Railroad Company, who acknowledged the foregoing as his/her free act and deed and the free act and deed of Maine Central Railroad Company.

  
\_\_\_\_\_  
John R. Nadolny  
(Print Name)

Notary Public/Justice of the Peace  
My Commission Expires: 7/6/2001

STATE OF MASSACHUSETTS  
COUNTY OF MIDDLESEX

The foregoing instrument was acknowledged before me this 14<sup>th</sup> day of December, 1999, by Michael A. Holmes, Senior Vice President-Finance of Springfield Terminal Railway Company, who acknowledged the foregoing as his/her free act and deed and the free act and deed of Springfield Terminal Railway Company.

  
\_\_\_\_\_  
John R. Nadolny  
(Print Name)

Notary Public/Justice of the Peace  
My Commission Expires: 7/6/2001

**SCHEDULE A**

Description of Rolling Stock

LOCOMOTIVES

<u>Qty.</u>	<u>Model</u>	<u>Mfr.</u>	<u>Yr.Built</u>	<u>HP</u>	<u>Type</u>	<u>Road #</u>	<u>Owner</u>
17	GP-35	EMD	1963-6	2,500	DC	ST200 - ST216	STRC
1	GP-38 B&M	EMD	1966	2,000	DC	BM252	
46	GP-40 MCRC	EMD	1967-6	3,000	DC	MEC300 - MEC321  MEC343 - MEC354 MEC370 - MEC381	
14	GP-40 B&M	EMD	1967-6	3,000	DC	BM326 - BM330  BM332 - BM335, BM337, BM339 - BM342	
5	SD-26 STRC	EMD	1959	2,625	DC	ST615, ST619	
3	SD-39 B&M	EMD	1969	2,300	DC	ST621, ST643, + one (1) BM690, BM691, BM693	
2	SD-45 STRC	EMD	1967-7	3,600	DC	ST681, ST689	
4	U18-B MCRC	GE	1975	1,800	DC	MEC402, MEC404  MEC406, MEC407	

92 TOTAL LOCOMOTIVES

FREIGHT CARS

<u>Qty.</u>	<u>Style</u> <u>Owner</u>	<u>Tons</u>	<u>Yr.Built</u>	<u>Type</u>	<u>Series</u>
98	Box Car B&M	70 ton	1979	Cushioned	BM3200, BM3201  BM3203, BM3205 BM3206-BM3299
50	Box Car B&M	70 ton	1979	Cushioned	BM3300-BM3349
49	Box Car B&M	70 ton	1979	Cushioned	BM3350-BM3399
40	Box Car B&M	70 ton	1974	Cushioned	BM3500-BM3539

49	Box Car B&M	70 ton	1979	Rigid	BM79000-BM79002 BM79004-BM79049
20	Box Car MCRC	70 ton	1970	Cushioned	MEC 27100 - MEC 27119
4	Box Car MCRC	70 ton	1967	Cushioned	MEC 28000 - MEC 28002 MEC28004
20	Box Car MCRC	70 ton	1964	Cushioned	MEC 28100 - MEC 28119
221	Box Car MCRC	70 ton	1970	Cushioned	MEC 29000, MEC 29056 MEC29058-MEC29063 MEC29065-MEC29152 MEC29154-MEC29157 MEC29159-MEC29178 MEC29180, MEC29182- MEC29189, MEC29193- MEC29229
99	Gondola B&M	100 ton	1976	2244 Cu Ft	BM9000-BM9008 BM9010-BM9099
75	Gondola MCRC	100 ton	1975	2244 Cu Ft	MEC 1100-MEC1174
61	Hopper	100 ton	1967	3023 Cu Ft	BM1001, BM1003, BM1007 B&M BM1011, BM1013, BM1022 BM1025, BM1030, BM1031 BM1047, BM1048, BM1054 BM1056, BM1057, BM1060 BM1062, BM1068, BM1075 BM1077, BM1081, BM1083 BM1084, BM1093, BM1094 BM1100, BM1105, BM1111 BM1112, BM1114, BM1115 BM1117, BM1118, BM1119 BM1121, BM1122, BM1126 BM1127, BM1128, BM1133 BM1136, BM1138, BM1139 BM1143, BM1146, BM1150 BM1151, BM1152, BM1155 BM1156, BM1160, BM1163 BM1165, BM1169, BM1170 BM1174, BM1180, BM1182 BM1184, BM1189, BM1192 BM1198
30	Hopper	70 ton	1968	1844 Cu Ft	BM1238, BM1239, BM1252

10 Hopper 100 ton  
MCRC

1844 Cu Ft

B&M  
BM1255, BM1257, BM1259  
BM1267, BM1269, BM1278  
BM1279, BM1292, BM1293  
BM1300, BM1301, BM1308  
BM1312, BM1316, BM1318  
BM1325, BM1326, BM1328  
BM1333, BM1338, BM1339  
BM1341, BM1350, BM1354  
BM1355, BM1359, BM1364  
MEC102, MEC115, MEC117

MEC119, MEC123, MEC161  
MEC183, MEC195, MEC205  
MEC213

826 TOTAL FREIGHT CARS