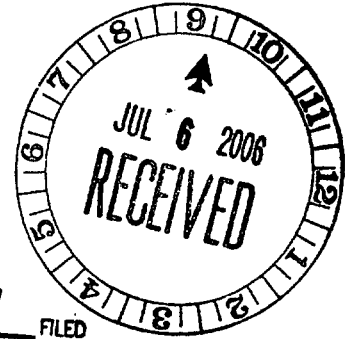


July 5, 2006



VIA FEDEX

Vernon A. Williams, Secretary
Surface Transportation Board
195 K Street, N.W., Suite 704
Washington, D.C. 20423

RECORDATION NO. 26444 FILED

JUL 06 '06

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SURFACE TRANSPORTATION BOARD

Bingham McCutchen LLP
150 Federal Street
Boston, MA
02110-1726

Dear Sir:

617.951.8000
617.951.8736 fax
bingham.com

Enclosed for recording with the Surface Transportation Board pursuant to Section 11301 of Title 49 of the United States Code are one signed original and one copy of the fully executed, notarized Instrument of Adherence (US Security Agreement), dated as of June 30, 2006.

- Boston
- Hartford
- London
- Los Angeles
- New York
- Orange County
- San Francisco
- Silicon Valley
- Tokyo
- Walnut Creek
- Washington

This document is an Instrument of Adherence (US Security Agreement), dated as of June 30, 2006, by and among each of **PAN AM RAILWAYS, INC.**, a Delaware corporation, **BOSTON AND MAINE CORPORATION**, a Delaware corporation, **MAINE CENTRAL RAILROAD COMPANY**, a Maine corporation, **PORTLAND TERMINAL COMPANY**, a Maine corporation, **GUILFORD MOTOR EXPRESS, INC.**, a Delaware corporation, **SPRINGFIELD TERMINAL RAILWAY COMPANY**, a Vermont corporation, **PERMA TREAT CORPORATION**, a Delaware corporation, **DH ESTATES, INC.**, a Delaware corporation, and **HUDSON RIVER ESTATES, INC.**, a New York corporation (each individually referred to as the "Company"), and **BANK OF AMERICA, N.A.**, as administrative agent, covering each rolling stock, locomotives and railcars, and maintenance of way equipment now owned or hereafter acquired and certain other properties and rights of each Company. A description of each Company's rolling stock, locomotives and railcars is attached to the Instrument of Adherence (US Security Agreement) as Schedule 1, as the same may be revised from time to time, but the property covered by the Instrument of Adherence (US Security Agreement) is not limited to that listed on Schedule 1.

The names and addresses of the parties to the Instrument of Adherence (US Security Agreement) are listed on Appendix A attached hereto. Please cross-index this Instrument of Adherence (US Security Agreement) against each Company listed on Appendix A.

Included in the property covered by the aforesaid Instrument of Adherence (US Security Agreement) are rolling stock, railroad cars, locomotives and railcars intended for use related to interstate commerce, or interests therein, owned and leased by each Company at the date of said Instrument of Adherence (US Security Agreement) or thereafter acquired by each Company or its successors.

Vernon A. Williams, Secretary
July 5, 2006
Page 2

Company at the date of said Instrument of Adherence (US Security Agreement) or thereafter acquired by each Company or its successors.

A short summary of the document to appear in the index is as follows:

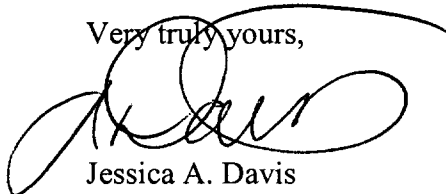
“An Instrument of Adherence (US SECURITY AGREEMENT), dated as of June 30, 2006, among **PAN AM RAILWAYS, INC.**, a Delaware corporation, **BOSTON AND MAINE CORPORATION**, a Delaware corporation, **MAINE CENTRAL RAILROAD COMPANY**, a Maine corporation, **PORTLAND TERMINAL COMPANY**, a Maine corporation, **GUILFORD MOTOR EXPRESS, INC.**, a Delaware corporation, **SPRINGFIELD TERMINAL RAILWAY COMPANY**, a Vermont corporation, **PERMA TREAT CORPORATION**, a Delaware corporation, **DH ESTATES, INC.**, a Delaware corporation, and **HUDSON RIVER ESTATES, INC.**, a New York corporation and **BANK OF AMERICA, N.A.**, as Administrative Agent as the secured party, covering each Company's rolling stock, locomotive, railcars, maintenance of way equipment and all other properties and rights of each Company”

Also please find enclosed a check in the sum of \$34.00, payable to the Surface Transportation Board, to cover the recording fee prescribed by the Board in its rules and regulations.

Please acknowledge receipt of the enclosed documents by stamping and returning in the enclosed self-addressed prepaid federal express package, the enclosed copy of this letter together with the Instrument of Adherence (US Security Agreement) as filed.

If you have any questions with respect to the enclosed documents, please call me collect at (617) 951-8073.

Very truly yours,



Jessica A. Davis

Enclosures

cc: Amy L. Kyle, Esq.
Elizabeth A. Doherty, Esq.
Mark D. Silva, Esq.
(each w/o enclosures)

APPENDIX A

Company:

Pan Am Railways, Inc.
14 Aviation Avenue
Portsmouth, NH 03801

Boston and Maine Corporation
Iron Horse Park
North Billerica, MA 01862

Maine Central Railroad Company
Iron Horse Park
North Billerica, MA 01862

Portland Terminal Company
Iron Horse Park
North Billerica, MA 01862

Guilford Motor Express, Inc.
3712 Barnum Road
Ayer, MA 01432

Springfield Terminal Railway Company
Iron Horse Park
North Billerica, MA 01862

Perma Treat Corporation
74 Air Line Drive
Durham, CT 06422

DH Estates, Inc.
Iron Horse Park
North Billerica, MA 01862

Hudson River Estates, Inc.
Iron Horse Park
North Billerica, MA 01862

Secured Party:

Bank of America, N. A., as Administrative Agent
100 Federal Street
Boston, MA 02110

JUL 06 '06

3-03 PM

SURFACE TRANSPORTATION BOARD

SECURITY AGREEMENT

SECURITY AGREEMENT, dated as of June 30, 2006, among (a) **PAN AM RAILWAYS, INC.**, a Delaware corporation (the "Company"), (b) **BOSTON AND MAINE CORPORATION**, a Delaware corporation, **MAINE CENTRAL RAILROAD COMPANY**, a Maine corporation, **PORTLAND TERMINAL COMPANY**, a Maine corporation, **GUILFORD MOTOR EXPRESS, INC.**, a Delaware corporation, **SPRINGFIELD TERMINAL RAILWAY COMPANY**, a Vermont corporation, **PERMA TREAT CORPORATION**, a Delaware corporation, **DH ESTATES, INC.**, a Delaware corporation, and **HUDSON RIVER ESTATES, INC.**, a New York corporation (the "Guarantors" and, together with the Company, each individually a "Grantor", and collectively, the "Grantors"), and (c) **BANK OF AMERICA, N.A.**, as administrative agent (hereinafter, in such capacity, the "Administrative Agent") for itself and the other lending institutions (hereinafter, collectively, the "Lenders") which are or may become parties to a Credit Agreement, dated as of June 30, 2006 (as amended and in effect from time to time, the "Credit Agreement"), among the Company, the Lenders, the Administrative Agent and the L/C Issuer.

WHEREAS, the Company and the Guarantors are members of a group of related corporations, the success of any one of which is dependent in part on the success of the other members of such group;

WHEREAS, the Guarantors expect to receive substantial direct and indirect benefits from the extensions of credit to the Company by the Secured Parties (as defined in the Credit Agreement) pursuant to the Credit Agreement (which benefits are hereby acknowledged);

WHEREAS, it is a condition precedent to the Lenders' making any loans or otherwise extending credit to and the L/C Issuer issuing, extending or renewing letters of credit for the benefit of the Company under the Credit Agreement that the Grantors execute and deliver to the Administrative Agent, for the benefit of the Secured Parties and the Administrative Agent, a security agreement in substantially the form hereof; and

WHEREAS, each Grantor wishes to grant a security interest in favor of the Administrative Agent, for the benefit of the Secured Parties and the Administrative Agent, as herein provided;

NOW, THEREFORE, in consideration of the promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. All capitalized terms used herein without definitions shall have the respective meanings provided therefor in the Credit Agreement. The term "State", as used herein, means the State of New York. All terms defined in the Uniform Commercial Code of the State and used herein shall have the same definitions herein as

specified therein. However, if a term is defined in Article 9 of the Uniform Commercial Code of the State differently than in another Article of the Uniform Commercial Code of the State, the term has the meaning specified in Article 9.

2. Grant of Security Interest. Each Grantor hereby grants to the Administrative Agent, for the benefit of the Secured Parties and the Administrative Agent, to secure the payment and performance in full of all of the Obligations, a security interest in and pledges and assigns to the Administrative Agent, for the benefit of the Secured Parties and the Administrative Agent, the following properties, assets and rights of such Grantor, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof (all of the same being hereinafter called the "Collateral"): all personal and fixture property of every kind and nature including all goods (including inventory, equipment and any accessions thereto), instruments (including promissory notes), documents, accounts (including health-care-insurance receivables), chattel paper (whether tangible or electronic), deposit accounts, letter-of-credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, supporting obligations, any other contract rights or rights to the payment of money, insurance claims and proceeds, and all general intangibles (including all payment intangibles); provided, however, that the term "Collateral" shall not include (a) in the case of Boston and Maine, its Equity Interests or real property interests in NorthPoint, in each case, to the extent permitted to be pledged to or otherwise encumbered in favor of a secured lender financing NorthPoint pursuant to Section 7.01(b) of the Credit Agreement and (b) in the case of the Company, its Equity Interests in Maine Central permitted to be pledged to the Stockholder pursuant to Section 7.01(c) of the Credit Agreement. The Administrative Agent acknowledges that the attachment of its security interest in any commercial tort claim of any Grantor as original collateral is subject to such Grantor's compliance with §4.7.

3. Authorization to File Financing Statements. Each Grantor hereby irrevocably authorizes the Administrative Agent at any time and from time to time to file in any filing office in any Uniform Commercial Code jurisdiction any initial financing statements and amendments thereto that (a) indicate the Collateral (i) as all assets of such Grantor or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the Uniform Commercial Code of the State or such jurisdiction, or (ii) as being of an equal or lesser scope or with greater detail, and (b) provide any other information required by part 5 of Article 9 of the Uniform Commercial Code of the State or such other jurisdiction for the sufficiency or filing office acceptance of any financing statement or amendment, including (i) whether such Grantor is an organization, the type of organization and any organizational identification number issued to such Grantor and, (ii) in the case of a financing statement filed as a fixture filing or indicating Collateral as as-extracted collateral or timber to be cut, a sufficient description of real property to which the Collateral relates. Each Grantor agrees to furnish any such information to the Administrative Agent promptly upon the Administrative Agent's request. Each Grantor also ratifies its authorization for the Administrative Agent to have filed in any Uniform Commercial Code jurisdiction any like initial financing statements or amendments thereto if filed prior to the date hereof.

4. **Other Actions.** Further to insure the attachment, perfection and first priority of, and the ability of the Administrative Agent to enforce, the Administrative Agent's security interest in the Collateral, each Grantor agrees, in each case at such Grantor's expense, to take the following actions with respect to the following Collateral and without limitation on such Grantor's other obligations contained in this Agreement:

4.1. **Promissory Notes and Tangible Chattel Paper.** If any Grantor shall, now or at any time hereafter, hold or acquire any promissory notes or tangible chattel paper, such Grantor shall forthwith endorse, assign and deliver the same to the Administrative Agent, accompanied by such instruments of transfer or assignment duly executed in blank as the Administrative Agent may from time to time specify.

4.2. **Deposit Accounts.** For each deposit account that any Grantor, now or at any time hereafter, opens or maintains, such Grantor shall, at the Administrative Agent's request and option, pursuant to an agreement in form and substance satisfactory to the Administrative Agent, either (a) cause the depository bank to agree to comply without further consent of such Grantor, at any time with instructions from the Administrative Agent to such depository bank directing the disposition of funds from time to time credited to such deposit account, or (b) arrange for the Administrative Agent to become the customer of the depository bank with respect to the deposit account, with such Grantor being permitted, only with the consent of the Administrative Agent, to exercise rights to withdraw funds from such deposit account. The Administrative Agent agrees with each Grantor that the Administrative Agent shall not give any such instructions or withhold any withdrawal rights from such Grantor, unless an Event of Default has occurred and is continuing, or, if effect were given to any withdrawal not otherwise permitted by the Loan Documents, would occur. The provisions of this paragraph shall not apply to (i) a deposit account for which the Administrative Agent is the depository bank and is in automatic control, and (ii) any deposit accounts specially and exclusively used for payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of such Grantor's salaried employees.

4.3. **Investment Property.** If any Grantor shall, now or at any time hereafter, hold or acquire any certificated securities, such Grantor shall forthwith endorse, assign and deliver the same to the Administrative Agent, accompanied by such instruments of transfer or assignment duly executed in blank as the Administrative Agent may from time to time specify. If any securities now or hereafter acquired by any Grantor are uncertificated and are issued to such Grantor or its nominee directly by the issuer thereof, such Grantor shall immediately notify the Administrative Agent thereof and, at the Administrative Agent's request and option, pursuant to an agreement in form and substance satisfactory to the Administrative Agent, either (a) cause the issuer to agree to comply, without further consent of such Grantor or such nominee, at any time with instructions from the Administrative Agent as to such securities, or (b) arrange for the Administrative Agent to become the registered owner of the

securities. If any securities, whether certificated or uncertificated, or other investment property now or hereafter acquired by any Grantor are held by such Grantor or its nominee through a securities intermediary or commodity intermediary, such Grantor shall immediately notify the Administrative Agent thereof and, at the Administrative Agent's request and option, pursuant to an agreement in form and substance satisfactory to the Administrative Agent, either (i) cause such securities intermediary or (as the case may be) commodity intermediary to agree to comply, in each case without further consent of such Grantor or such nominee, at any time with entitlement orders or other instructions from the Administrative Agent to such securities intermediary as to such securities or other investment property, or (as the case may be) to apply any value distributed on account of any commodity contract as directed by the Administrative Agent to such commodity intermediary, or (ii) in the case of financial assets or other investment property held through a securities intermediary, arrange for the Administrative Agent to become the entitlement holder with respect to such investment property, with such Grantor being permitted, only with the consent of the Administrative Agent, to exercise rights to withdraw or otherwise deal with such investment property. The Administrative Agent agrees with each Grantor that the Administrative Agent shall not give any such entitlement orders or instructions or directions to any such issuer, securities intermediary or commodity intermediary, and shall not withhold its consent to the exercise of any withdrawal or dealing rights by such Grantor, unless an Event of Default has occurred and is continuing, or, after giving effect to any such investment and withdrawal rights not otherwise permitted by the Loan Documents, would occur. The provisions of this paragraph shall not apply to any financial assets credited to a securities account for which the Administrative Agent is the securities intermediary.

4.4. Collateral in the Possession of a Bailee. If any Collateral of any Grantor is, now or at any time hereafter, in the possession of a bailee, such Grantor shall promptly notify the Administrative Agent thereof and, at the Administrative Agent's request and option, shall promptly obtain an acknowledgement from the bailee, in form and substance satisfactory to the Administrative Agent, that the bailee holds such Collateral for the benefit of the Administrative Agent and such bailee's agreement to comply, without further consent of such Grantor, at any time with instructions of the Administrative Agent, as to such Collateral. The Administrative Agent agrees with each Grantor that the Administrative Agent shall not give any such instructions unless an Event of Default has occurred and is continuing or would occur after taking into account any action by such Grantor with respect to the bailee.

4.5. Electronic Chattel Paper, Electronic Documents and Transferable Records. If any Grantor, now or at any time hereafter, holds or acquires an interest in any electronic chattel paper or any "transferable record," as that term is defined in Section 201 of the federal Electronic Signatures in Global and National Commerce Act, or in §16 of the Uniform Electronic Transactions

Act as in effect in any relevant jurisdiction, such Grantor shall promptly notify the Administrative Agent thereof and, at the request and option of the Administrative Agent, shall take such action as the Administrative Agent may reasonably request to vest in the Administrative Agent control, under §9-105 of the Uniform Commercial Code, of such electronic chattel paper or control under Section 201 of the federal Electronic Signatures in Global and National Commerce Act or, as the case may be, §16 of the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record. The Administrative Agent agrees with each Grantor that the Administrative Agent will arrange, pursuant to procedures satisfactory to the Administrative Agent and so long as such procedures will not result in the Administrative Agent's loss of control, for such Grantor to make alterations to the electronic chattel paper or transferable record permitted under UCC §9-105 or, as the case may be, Section 201 of the federal Electronic Signatures in Global and National Commerce Act or §16 of the Uniform Electronic Transactions Act for a party in control to make without loss of control, unless an Event of Default has occurred and is continuing or would occur after taking into account any action by the Company with respect to such electronic chattel paper or transferable record.

4.6. Letter-of-credit Rights. If any Grantor is, now or at any time hereafter, a beneficiary under a letter of credit now or hereafter, such Grantor shall promptly notify the Administrative Agent thereof and, at the request and option of the Administrative Agent, such Grantor shall, pursuant to an agreement in form and substance satisfactory to the Administrative Agent, either (a) arrange for the issuer and any confirmer of such letter of credit to consent to an assignment to the Administrative Agent of the proceeds of the letter of credit or (b) arrange for the Administrative Agent to become the transferee beneficiary of the letter of credit, with the Administrative Agent agreeing, in each case, that the proceeds of the letter of credit are to be applied to the Obligations as provided in the Credit Agreement.

4.7. Commercial Tort Claims. If any Grantor shall, now or at any time hereafter, hold or acquire a commercial tort claim, such Grantor shall immediately notify the Administrative Agent in a writing signed by such Grantor of the particulars thereof and grant to the Administrative Agent, for the benefit of the Secured Parties and the Administrative Agent in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance satisfactory to the Administrative Agent.

4.8. Rolling Stock. Each Grantor represents to the Administrative Agent and the Secured Parties that the Rolling Stock (as defined in this §4.8) listed opposite such Grantor's name on Schedule 1 hereto constitutes all of the Rolling Stock which such Grantor owns or leases. Each Grantor agrees not to change any markings or serial numbers on any of the Rolling Stock listed on Schedule 1 until after such Grantor has given notice in writing to the

Administrative Agent of its intention to make such change, which such notice need not be given more frequently than once a month. Each Grantor agrees to notify the Administrative Agent of any other Rolling Stock which such Grantor may hereafter acquire or lease. Each Grantor agrees that it will execute and deliver to the Administrative Agent supplemental security agreements and other instruments and file the same in the appropriate recording offices (a) with respect to the Rolling Stock listed underneath such Grantor's name on Schedule 1 hereto, (b) at such times as any assignable right, title or interest is acquired in the future by such Grantor in any other Rolling Stock and (c) at such times as any change is made in one or more of the markings or serial numbers on any of the Rolling Stock listed underneath such Grantor's name on Schedule 1 hereto or on any other Rolling Stock owned or leased by such Grantor. All such supplemental security agreements and other instruments shall secure all of the Obligations pro rata and shall be on terms and conditions satisfactory to the Administrative Agent as evidenced by its written consent thereto. The term "Rolling Stock" as used herein means all rolling stock of every kind and description, locomotives and all other rail cars.

4.9. Other Actions as to any and all Collateral. Each Grantor further agrees upon the request of the Administrative Agent and at the Administrative Agent's option, to take any and all other actions as the Administrative Agent may determine to be necessary or useful for the attachment, perfection and first priority of, and the ability of the Administrative Agent to enforce, the Administrative Agent's security interest in any and all of the Collateral including (a) executing, delivering and, where appropriate, filing financing statements and amendments relating thereto under the Uniform Commercial Code, to the extent, if any, that such Grantor's signature thereon is required therefor, (b) causing the Administrative Agent's name to be noted as secured party on any certificate of title for a titled good if such notation is a condition to attachment, perfection or priority of, or ability of the Administrative Agent to enforce, the Administrative Agent's security interest in such Collateral, (c) complying with any provision of any statute, regulation or treaty of the United States as to any Collateral if compliance with such provision is a condition to attachment, perfection or priority of, or ability of the Administrative Agent to enforce, the Administrative Agent's security interest in such Collateral, (d) obtaining governmental and other third party waivers, consents and approvals, in form and substance satisfactory to the Administrative Agent including any consent of any licensor, lessor or other person obligated on Collateral and any party or parties whose consent is required for the security interest of the Administrative Agent to attach under §2, (e) obtaining waivers from mortgagees and landlords in form and substance satisfactory to the Administrative Agent and (f) taking all actions under any earlier versions of the Uniform Commercial Code or under any other law, as reasonably determined by the Administrative Agent to be applicable in any relevant Uniform Commercial Code or other jurisdiction, including any foreign jurisdiction.

5. Relation to Other Security Documents. The provisions of this Agreement supplement the provisions of any real estate mortgage or deed of trust granted by any Grantor to the Administrative Agent, for the benefit of the Secured Parties and the Administrative Agent, and which secures the payment or performance of any of the Obligations. Nothing contained in any such real estate mortgage or deed of trust shall derogate from any of the rights or remedies of the Administrative Agent or any of the Secured Parties hereunder. In addition, to the provisions of this Agreement being so read and construed with any such mortgage or deed of trust, the provisions of this Agreement shall be read and construed with the other Security Documents referred to below in the manner so indicated.

5.1. Collateral Assignment of Licenses. Concurrently herewith the Company is executing and delivering to the Administrative Agent, for the benefit of the Secured Parties and the Administrative Agent, a collateral assignment of licenses pursuant to which the Company is collaterally assigning to the Administrative Agent all of its rights, title and interest in the trademark licenses described therein.

5.2. Pledge Agreements. Concurrently herewith the Company and each other Grantor is executing and delivering to the Administrative Agent, for the benefit of the Secured Parties and the Administrative Agent, those certain pledge agreements pursuant to which such Grantor is pledging to the Administrative Agent all of the Equity Interests of its subsidiaries (other than (a) in the case of Boston and Maine, its Equity Interests in NorthPoint permitted to be pledged to a secured lender financing NorthPoint pursuant to Section 7.01(b) of the Credit Agreement and (b) in the case of the Company, its Equity Interests in Maine Central permitted to be pledged to the Stockholder pursuant to Section 7.01(c) of the Credit Agreement). Such pledges shall be governed by the terms of such pledge agreements and not by the terms of this Agreement.

6. Representations and Warranties Concerning Grantor's Legal Status. Each Grantor has previously delivered to the Administrative Agent a certificate signed by such Grantor and entitled "Perfection Certificate" (each, a "Perfection Certificate"). Each Grantor represents and warrants to the Secured Parties and the Administrative Agent as follows: (a) such Grantor's exact legal name is that indicated on its Perfection Certificate and on the signature page hereof, (b) each Grantor is an organization of the type, and is organized in the jurisdiction, set forth in its Perfection Certificate, (c) the Perfection Certificate of the applicable Grantor accurately sets forth such Grantor's organizational identification number or accurately states that such Grantor has none, (d) the Perfection Certificate of the applicable Grantor accurately sets forth such Grantor's place of business or, if more than one, its chief executive office as well as such Grantor's mailing address if different (e) all other information set forth on the Perfection Certificate of the applicable Grantor pertaining to such Grantor is accurate and complete and (f) there has been no change in any of such information since the date on which the Perfection Certificate of the applicable Grantor was signed by such Grantor.

7. **Covenants Concerning Grantor's Legal Status.** Each Grantor covenants with the Secured Parties and the Administrative Agent as follows: (a) without providing at least thirty (30) days prior written notice to the Administrative Agent, such Grantor will not change its name, its place of business or, if more than one, chief executive office, or its mailing address or organizational identification number if it has one, (b) if such Grantor does not have an organizational identification number and later obtains one, such Grantor will forthwith notify the Administrative Agent of such organizational identification number, and (c) such Grantor will not change its type of organization, jurisdiction of organization or other legal structure.

8. **Representations and Warranties Concerning Collateral, Etc.** Each Grantor further represents and warrants to the Secured Parties and the Administrative Agent as follows: (a) such Grantor is the owner of or has other rights in or power to transfer the Collateral, free from any right or claim of any person or any adverse lien, except for the security interest created by this Agreement and other Liens permitted by the Credit Agreement, (b) none of the Collateral constitutes, or is the proceeds of, "farm products" as defined in §9-102(a)(34) of the Uniform Commercial Code of the State, (c) none of the account debtors or other persons obligated on any of the Collateral is a governmental authority covered by the Federal Assignment of Claims Act or like federal, state or local statute or rule in respect of such Collateral, (d) such Grantor holds no commercial tort claim except as indicated on its Perfection Certificate, (e) such Grantor has at all times operated its business in compliance with all applicable provisions of the federal Fair Labor Standards Act, as amended, and with all applicable provisions of federal, state and local statutes and ordinances dealing with the control, shipment, storage or disposal of hazardous materials or substances, (f) all other information set forth on the Perfection Certificate of the applicable Grantor pertaining to the Collateral is accurate and complete, and (g) there has been no change in any of such information since the date on which the Perfection Certificate was signed by such Grantor.

9. **Covenants Concerning Collateral, Etc.** Each Grantor further covenants with the Secured Parties and the Administrative Agent as follows: (a) the Collateral, to the extent not delivered to the Administrative Agent pursuant to §4, will be kept at those locations listed on such Grantor's Perfection Certificate and such Grantor will not remove the Collateral from such locations, without providing at least thirty (30) days prior written notice to the Administrative Agent, (b) except for the security interest herein granted and Liens permitted by the Credit Agreement, such Grantor shall be the owner of or have other rights in the Collateral free from any right or claim of any other person or any lien, and such Grantor shall defend the same against all claims and demands of all persons at any time claiming the same or any interests therein adverse to the Administrative Agent or any of the Secured Parties, (c) such Grantor shall not pledge, mortgage or create, or suffer to exist any right of any person in or claim by any person to the Collateral, or any lien in the Collateral in favor of any person, other than the Administrative Agent except for Liens permitted by the Credit Agreement, (d) such Grantor will keep the Collateral in good order and repair and will not use the same in violation of law or any policy of insurance thereon, (e) such Grantor will permit the Administrative Agent, or its designee, to inspect the Collateral at any reasonable time, wherever located, (f) such Grantor will

pay promptly when due all taxes, assessments, governmental charges and levies upon the Collateral or incurred in connection with the use or operation of the Collateral or incurred in connection with this Agreement, (g) such Grantor will continue to operate, its business in compliance with all applicable provisions of the federal Fair Labor Standards Act, as amended, and with all applicable provisions of federal, state and local statutes and ordinances dealing with the control, shipment, storage or disposal of hazardous materials or substances, and (h) such Grantor will not sell or otherwise dispose, or offer to sell or otherwise dispose, of the Collateral or any interest therein except for (i) sales of inventory in the ordinary course of business, (ii) non-exclusive licenses of IP Rights in the ordinary course of business and substantially consistent with past practice for terms not exceeding five years, (iii) sales or other dispositions of obsolescent or worn out property in the ordinary course of business and (iv) dispositions otherwise permitted by the Credit Agreement.

10. Insurance.

10.1. Maintenance of Insurance. Each Grantor will maintain with financially sound and reputable insurers insurance with respect to its properties and business against such casualties and contingencies as shall be in accordance with general practices of businesses engaged in similar activities in similar geographic areas. Such insurance shall be in such minimum amounts that such Grantor will not be deemed a co-insurer under applicable insurance laws, regulations and policies and otherwise shall be in such amounts, contain such terms, be in such forms and be for such periods as may be reasonably satisfactory to the Administrative Agent. In addition, all such insurance shall be payable to the Administrative Agent as loss payee under a "standard" or "New York" loss payee clause for the benefit of the Secured Parties and the Administrative Agent. Without limiting the foregoing, each Grantor will (a) keep all of its physical property insured with casualty or physical hazard insurance on an "all risks" basis, with broad form flood and earthquake coverages and electronic data processing coverage, with a full replacement cost endorsement and an "agreed amount" clause in an amount equal to 100% of the full replacement cost of such property, (b) maintain all such workers' compensation or similar insurance as may be required by law and (c) maintain, in amounts and with deductibles equal to those generally maintained by businesses engaged in similar activities in similar geographic areas, general public liability insurance against claims of bodily injury, death or property damage occurring, on, in or about the properties of such Grantor; business interruption insurance; and product liability insurance.

10.2. Insurance Proceeds. The proceeds of any casualty insurance in respect of any casualty loss of any of the Collateral shall, subject to the rights, if any, of other parties with an interest having priority in the property covered thereby, (i) prepay an aggregate principal amount of Loans equal to 100% of all such proceeds immediately upon receipt thereof by the applicable Grantor (to be applied in accordance with the provisions of §2.04 of the Credit Agreement); provided, however, that at the election of the Company (as notified by the

Company to the Administrative Agent on or prior to the date of receipt of such proceeds of casualty insurance), and so long as no Default or Event of Default shall have occurred and be continuing, the applicable Grantor may apply within 10 days after the receipt of such proceeds to replace or repair the equipment, fixed assets or real property in respect of which such proceeds were received; and provided, further, however, that any proceeds not so applied shall be immediately applied to the prepayment of the Loans as set forth in §2.04 of the Credit Agreement.

10.3. Continuation of Insurance. All policies of insurance shall provide for at least thirty (30) days prior written cancellation notice to the Administrative Agent. In the event of failure by any Grantor to provide and maintain insurance as herein provided, the Administrative Agent may, at its option, provide such insurance and charge the amount thereof to such Grantor. Each Grantor shall furnish the Administrative Agent with certificates of insurance and policies evidencing compliance with the foregoing insurance provision.

11. Collateral Protection Expenses; Preservation of Collateral.

11.1. Expenses Incurred by Administrative Agent. In the Administrative Agent's discretion, the Administrative Agent may discharge taxes and other encumbrances at any time levied or placed on any of the Collateral, maintain any of the Collateral, make repairs thereto and pay any necessary filing fees or insurance premiums, in each case if the Company fails to do so. Each Grantor agrees to reimburse the Administrative Agent on demand for all expenditures so made. The Administrative Agent shall have no obligation to any Grantor to make any such expenditures, nor shall the making thereof be construed as a waiver or cure of any Default or Event of Default.

11.2. Administrative Agent's Obligations and Duties. Anything herein to the contrary notwithstanding, each Grantor shall remain obligated and liable under each contract or agreement comprised in the Collateral to be observed or performed by such Grantor thereunder. Neither the Administrative Agent nor any Secured Party shall have any obligation or liability under any such contract or agreement by reason of or arising out of this Agreement or the receipt by the Administrative Agent or any Lender of any payment relating to any of the Collateral, nor shall the Administrative Agent or any Secured Party be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any such contract or agreement, to make inquiry as to the nature or sufficiency of any payment received by the Administrative Agent or any Secured Party in respect of the Collateral or as to the sufficiency of any performance by any party under any such contract or agreement, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to the Administrative Agent or to which the Administrative Agent or any Secured Party may be entitled at any time or times. The Administrative Agent's sole duty with respect to the custody, safe keeping

and physical preservation of the Collateral in its possession, under §9-207 of the Uniform Commercial Code of the State or otherwise, shall be to deal with such Collateral in the same manner as the Administrative Agent deals with similar property for its own account.

12. Securities and Deposits. The Administrative Agent may at any time following and during the continuance of an Event of Default, at its option, transfer to itself or any nominee any securities constituting Collateral, receive any income thereon and hold such income as additional Collateral or apply it to the Obligations. Whether or not any Obligations are due, the Administrative Agent may following and during the continuance of an Event of Default demand, sue for, collect, or make any settlement or compromise which it deems desirable with respect to the Collateral. Regardless of the adequacy of Collateral or any other security for the Obligations, any deposits or other sums at any time credited by or due from the Administrative Agent or any Secured Party to any Grantor may at any time be applied to or set off against any of the Obligations then due and owing.

13. Notification to Account Debtors and Other Persons Obligated on Collateral. If an Event of Default shall have occurred and be continuing, each Grantor shall, at the request and option of the Administrative Agent, notify account debtors and other persons obligated on any of the Collateral of the security interest of the Administrative Agent in any account, chattel paper, general intangible, instrument or other Collateral and that payment thereof is to be made directly to the Administrative Agent or to any financial institution designated by the Administrative Agent as the Administrative Agent's agent therefor, and the Administrative Agent may itself, if an Event of Default shall have occurred and be continuing, without notice to or demand upon such Grantor, so notify account debtors and other persons obligated on Collateral. After the making of such a request or the giving of any such notification, such Grantor shall hold any proceeds of collection of accounts, chattel paper, general intangibles, instruments and other Collateral received by such Grantor as trustee for the Administrative Agent, for the benefit of the Secured Parties and the Administrative Agent without commingling the same with other funds of such Grantor and shall turn the same over to the Administrative Agent in the identical form received, together with any necessary endorsements or assignments. The Administrative Agent shall apply the proceeds of collection of accounts, chattel paper, general intangibles, instruments and other Collateral received by the Administrative Agent to the Obligations, such proceeds to be immediately credited after final payment in cash or other immediately available funds of the items giving rise to them.

14. Power of Attorney.

14.1. Appointment and Powers of Administrative Agent. Each Grantor hereby irrevocably constitutes and appoints the Administrative Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of such Grantor or in the Administrative Agent's own name, for the purpose of

carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or useful to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, hereby gives said attorneys the power and right, on behalf of such Grantor, without notice to or assent by such Grantor, to do the following:

(a) upon the occurrence and during the continuance of an Event of Default, generally to sell, transfer, pledge, make any agreement with respect to or otherwise dispose of or deal with any of the Collateral in such manner as is consistent with the Uniform Commercial Code of the State and as fully and completely as though the Administrative Agent were the absolute owner thereof for all purposes, and to do, at such Grantor's expense, at any time, or from time to time, all acts and things which the Administrative Agent deems necessary or useful to protect, preserve or realize upon the Collateral and the Administrative Agent's security interest therein, in order to effect the intent of this Agreement, all no less fully and effectively as such Grantor might do, including (i) the filing and prosecuting of registration and transfer applications with the appropriate federal, state or local agencies or authorities with respect to trademarks, copyrights and patentable inventions and processes, (ii) upon written notice to such Grantor, the exercise of voting rights with respect to voting securities, which rights may be exercised, if the Administrative Agent so elects, with a view to causing the liquidation of assets of the issuer of any such securities and (iii) the execution, delivery and recording, in connection with any sale or other disposition of any Collateral, of the endorsements, assignments or other instruments of conveyance or transfer with respect to such Collateral; and

(b) to the extent that such Grantor's authorization given in §3 is not sufficient, to file such financing statements with respect hereto, with or without such Grantor's signature, or a photocopy of this Agreement in substitution for a financing statement, as the Administrative Agent may deem appropriate and to execute in such Grantor's name such financing statements and amendments thereto and continuation statements which may require such Grantor's signature.

14.2. Ratification by Grantors. To the extent permitted by law, each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and is irrevocable.

14.3. No Duty on Administrative Agent. The powers conferred on the Administrative Agent hereunder are solely to protect the interests of the Administrative Agent and the Secured Parties in the Collateral and shall not impose any duty upon the Administrative Agent to exercise any such powers. The Administrative Agent shall be accountable only for the amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or agents shall be responsible to any Grantor for

any act or failure to act, except for the Administrative Agent's own gross negligence or willful misconduct.

15. Rights and Remedies. If an Event of Default shall have occurred and be continuing, the Administrative Agent, without any other notice to or demand upon the applicable Grantor, shall have in any jurisdiction in which enforcement hereof is sought, in addition to all other rights and remedies, the rights and remedies of a secured party under the Uniform Commercial Code of the State and any additional rights and remedies as may be provided to a secured party in any jurisdiction in which Collateral is located, including the right to take possession of the Collateral, and for that purpose the Administrative Agent may, so far as such Grantor can give authority therefor, enter upon any premises on which the Collateral may be situated and remove the same therefrom. The Administrative Agent may in its discretion require such Grantor to assemble all or any part of the Collateral at such location or locations within the jurisdiction(s) of such Grantor's principal office(s) or at such other locations as the Administrative Agent may reasonably designate. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Administrative Agent shall give to such Grantor at least five (5) Business Days prior written notice of the time and place of any public sale of Collateral or of the time after which any private sale or any other intended disposition is to be made. Each Grantor hereby acknowledges that five (5) Business Days prior written notice of such sale or sales shall be reasonable notice. In addition, each Grantor waives any and all rights that it may have to a judicial hearing in advance of the enforcement of any of the Administrative Agent's rights and remedies hereunder, including its right following an Event of Default to take immediate possession of the Collateral and to exercise its rights and remedies with respect thereto.

16. Standards for Exercising Rights and Remedies. To the extent that applicable law imposes duties on the Administrative Agent to exercise remedies in a commercially reasonable manner, each Grantor acknowledges and agrees that it is not commercially unreasonable for the Administrative Agent (a) to fail to incur expenses reasonably deemed significant by the Administrative Agent to prepare Collateral for disposition or otherwise to fail to complete raw material or work in process into finished goods or other finished products for disposition, (b) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (c) to fail to exercise collection remedies against account debtors or other persons obligated on Collateral or to fail to remove Liens on or any adverse claims against Collateral, (d) to exercise collection remedies against account debtors and other persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (e) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (f) to contact other persons, whether or not in the same business as such Grantor, for expressions of interest in acquiring all or any portion of the Collateral, (g) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the collateral is of a specialized nature, (h) to dispose of Collateral by utilizing Internet sites that provide for the auction of assets of the types included in the

Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets, (i) to dispose of assets in wholesale rather than retail markets, (j) to disclaim disposition warranties, (k) to purchase insurance or credit enhancements to insure the Administrative Agent against risks of loss, collection or disposition of Collateral or to provide to the Administrative Agent a guaranteed return from the collection or disposition of Collateral, or (l) to the extent deemed appropriate by the Administrative Agent, to obtain the services of brokers, investment bankers, consultants and other professionals to assist the Administrative Agent in the collection or disposition of any of the Collateral. Each Grantor acknowledges that the purpose of this §16 is to provide non-exhaustive indications of what actions or omissions by the Administrative Agent would fulfill the Administrative Agent's duties under the Uniform Commercial Code of the State or any other relevant jurisdiction in the Administrative Agent's exercise of remedies against the Collateral and that other actions or omissions by the Administrative Agent shall not be deemed to fail to fulfill such duties solely on account of not being indicated in this §16. Without limitation upon the foregoing, nothing contained in this §16 shall be construed to grant any rights to any Grantor or to impose any duties on the Administrative Agent that would not have been granted or imposed by this Agreement or by applicable law in the absence of this §16.

17. No Waiver by Administrative Agent, etc. The Administrative Agent shall not be deemed to have waived any of its rights and remedies in respect of the Obligations or the Collateral unless such waiver shall be in writing and signed by the Administrative Agent with the consent of the Required Lenders. No delay or omission on the part of the Administrative Agent in exercising any right or remedy shall operate as a waiver of such right or remedy or any other right or remedy. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion. All rights and remedies of the Administrative Agent with respect to the Obligations or the Collateral, whether evidenced hereby or by any other instrument or papers, shall be cumulative and may be exercised singularly, alternatively, successively or concurrently at such time or at such times as the Administrative Agent deems expedient.

18. Suretyship Waivers by Company. Each Grantor waives demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, credit extended, Collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description. With respect to both the Obligations and the Collateral, each grantor assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of or failure to perfect any security interest in any Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payment thereon and the settlement, compromising or adjusting of any thereof, all in such manner and at such time or times as the Administrative Agent may deem advisable. The Administrative Agent shall have no duty as to the collection or protection of the Collateral or any income therefrom, the preservation of rights against prior parties, or the preservation of any rights pertaining thereto beyond the safe custody thereof as set forth in §11.2. Each Grantor further waives any and all other suretyship defenses.

19. **Marshaling.** Neither the Administrative Agent nor any Secured Party shall be required to marshal any present or future collateral security (including but not limited to the Collateral) for, or other assurances of payment of, the Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of the rights and remedies of the Administrative Agent or any Secured Party hereunder and of the Administrative Agent or any Secured Party in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights and remedies, however existing or arising. To the extent that it lawfully may, each Grantor hereby agrees that it will not invoke any law relating to the marshaling of collateral which might cause delay in or impede the enforcement of the Administrative Agent's rights and remedies under this Agreement or under any other instrument creating or evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, each Grantor hereby irrevocably waives the benefits of all such laws.

20. **Proceeds of Dispositions; Expenses.** Each Grantor shall pay to the Administrative Agent on demand any and all expenses, including reasonable attorneys' fees and disbursements, incurred or paid by the Administrative Agent in protecting, preserving or enforcing the Administrative Agent's rights and remedies under or in respect of any of the Obligations or any of the Collateral. After deducting all of said expenses, the residue of any proceeds of collection or sale or other disposition of Collateral shall, to the extent actually received in cash, be applied to the payment of the Obligations in such order or preference as is provided in the Credit Agreement, proper allowance and provision being made for any Obligations not then due. Upon the final payment and satisfaction in full of all of the Obligations and after making any payments required by Sections 9-608(a)(1)(C) or 9-615(a)(3) of the Uniform Commercial Code of the State, any excess shall be returned to the applicable Grantor. In the absence of final payment and satisfaction in full of all of the Obligations, each Grantor shall remain jointly and severally liable for any deficiency.

21. **Overdue Amounts.** Until paid, all amounts due and payable by any Grantor hereunder shall be a debt secured by the Collateral and shall bear, whether before or after judgment, interest at the rate of interest for overdue principal set forth in the Credit Agreement.

22. **Governing Law; Consent to Jurisdiction.** THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (EXCLUDING THE LAWS APPLICABLE TO CONFLICTS OR CHOICE OF LAW (OTHER THAN THE NEW YORK GENERAL OBLIGATIONS LAW §5-1401)). Each Grantor agrees that any action or claim arising out of any dispute in connection with this Agreement, any rights or obligations hereunder or the performance or enforcement of such rights or obligations may be brought in the courts of the State of New York sitting in New York County or the U.S. District Court for the Southern District of New York and consents to the non-exclusive jurisdiction of such courts and to service of process in any such suit being made

upon such Grantor (a) in the case of the Company, by mail at the address specified in Section 10.02 of the Credit Agreement and (b) in the case of each other Grantor, by mail at the address specified by reference in Section 17 of the Guaranty. Each Grantor hereby waives any objection that it may now or hereafter have to the venue of any such suit or any such court or that such suit is brought in an inconvenient court.

23. Waiver of Jury Trial. EACH GRANTOR WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THE PERFORMANCE OR ENFORCEMENT OF ANY SUCH RIGHTS OR OBLIGATIONS. Except as prohibited by law, each Grantor waives any right which it may have to claim or recover in any litigation referred to in the preceding sentence any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. Each Grantor (a) certifies that neither the Administrative Agent or any Secured Party nor any representative, agent or attorney of the Administrative Agent or any Secured Party has represented, expressly or otherwise, that the Administrative Agent or any Secured Party would not, in the event of litigation, seek to enforce the foregoing waivers or other waivers contained in this Agreement and (b) acknowledges that, in entering into the Credit Agreement and the other Loan Documents to which the Administrative Agent or any Secured Party is a party, the Administrative Agent and the Secured Parties are relying upon, among other things, the waivers and certifications contained in this §23.

24. Miscellaneous. The headings of each section of this Agreement are for convenience only and shall not define or limit the provisions thereof. This Agreement and all rights and obligations hereunder shall be binding upon each Grantor and its successors and assigns, and shall inure to the benefit of the Administrative Agent, the Secured Parties and their successors and assigns. If any term of this Agreement shall be held to be invalid, illegal or unenforceable, the validity of all other terms hereof shall in no way be affected thereby, and this Agreement shall be construed and be enforceable as if such invalid, illegal or unenforceable term had not been included herein. Each Grantor acknowledges receipt of a copy of this Agreement.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, intending to be legally bound, each Grantor has caused this Agreement to be duly executed as of the date first above written.

PAN AM RAILWAYS, INC. (formerly known as
Guilford Transportation Industries, Inc.)

By: Eric H. Lawler
Name: ERIC H. LAWLER
Title: SR VP/CFO

BOSTON AND MAINE CORPORATION

By: Eric H. Lawler
Name: ERIC H. LAWLER
Title: SR VP/CFO

MAINE CENTRAL RAILROAD COMPANY

By: Eric H. Lawler
Name: ERIC H. LAWLER
Title: SR VP/CFO

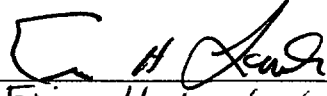
PORTLAND TERMINAL COMPANY

By: Eric H. Lawler
Name: ERIC H. LAWLER
Title: SR VP/CFO

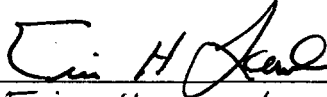
GUILFORD MOTOR EXPRESS, INC.

By: Eric H. Lawler
Name: ERIC H. LAWLER
Title: SR VP/CFO

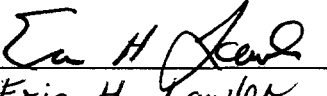
**SPRINGFIELD TERMINAL RAILWAY
COMPANY**

By: 
Name: *Eric H. Lawler*
Title: *SR VP/CFO*

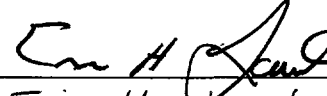
PERMA TREAT CORPORATION

By: 
Name: *Eric H. Lawler*
Title: *SR VP/CFO*

DH ESTATES, INC.

By: 
Name: *Eric H. Lawler*
Title: *SR VP/CFO*

HUDSON RIVER ESTATES, INC.

By: 
Name: *Eric H. Lawler*
Title: *SR VP/CFO*

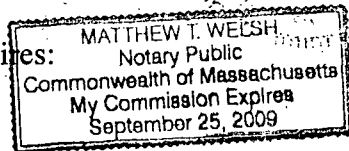
CERTIFICATE OF ACKNOWLEDGMENT

COMMONWEALTH OR STATE OF: Massachusetts
COUNTY OF: Sutton) ss.

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this ___ day of _____, 20___, personally appeared _____ to me known personally, and who, being by me duly sworn, deposes and says that *[s/he]* is the _____ of **PAN AM RAILWAYS, INC.** (formerly known as Guilford Transportation Industries, Inc.), a Delaware corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

Matthew D. Welsh

Notary Public
My commission expires:



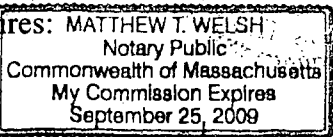
CERTIFICATE OF ACKNOWLEDGMENT

COMMONWEALTH OR STATE OF: Massachusetts
COUNTY OF: Sutton) ss.

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this ___ day of _____, 20___, personally appeared _____ to me known personally, and who, being by me duly sworn, deposes and says that *[s/he]* is the _____ of **BOSTON AND MAINE CORPORATION**, a Delaware corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

Matthew D. Welsh

Notary Public
My commission expires:



CERTIFICATE OF ACKNOWLEDGMENT

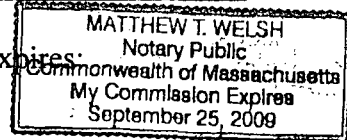
COMMONWEALTH OR STATE OF: Massachusetts

COUNTY OF: Sutton) ss.

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this ___ day of _____, 20___, personally appeared _____ to me known personally, and who, being by me duly sworn, deposes and says that /s/he is the _____ of **MAINE CENTRAL RAILROAD COMPANY**, a Maine corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

Matthew D. Welsh

Notary Public
My commission expires:



CERTIFICATE OF ACKNOWLEDGMENT

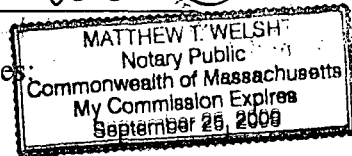
COMMONWEALTH OR STATE OF: Massachusetts

COUNTY OF: Sutton) ss.

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this ___ day of _____, 20___, personally appeared _____ to me known personally, and who, being by me duly sworn, deposes and says that /s/he is the _____ of **PORTLAND TERMINAL COMPANY**, a Maine corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

Matthew D. Welsh

Notary Public
My commission expires:



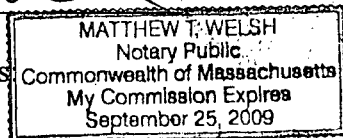
CERTIFICATE OF ACKNOWLEDGMENT

COMMONWEALTH OR STATE OF: Massachusetts)
COUNTY OF: Suttholk) ss.

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this ___ day of _____, 20___, personally appeared _____ to me known personally, and who, being by me duly sworn, deposes and says that /s/he is the _____ of **GUILFORD MOTOR EXPRESS, INC.**, a Delaware corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

Matthew T. Welsh

Notary Public
My commission expires



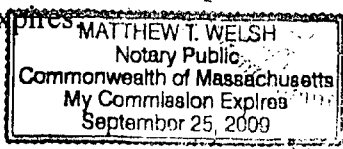
CERTIFICATE OF ACKNOWLEDGMENT

COMMONWEALTH OR STATE OF: Massachusetts)
COUNTY OF: Suttholk) ss.

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this ___ day of _____, 20___, personally appeared _____ to me known personally, and who, being by me duly sworn, deposes and says that /s/he is the _____ of **SPRINGFIELD TERMINAL RAILWAY COMPANY**, a Vermont corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

Matthew T. Welsh

Notary Public
My commission expires



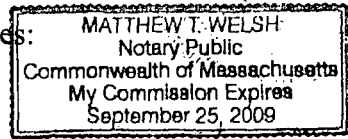
CERTIFICATE OF ACKNOWLEDGMENT

COMMONWEALTH OR STATE OF: Massachusetts
COUNTY OF: Sutton) ss.

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this ___ day of _____, 20___, personally appeared _____ to me known personally, and who, being by me duly sworn, deposes and says that /s/he is the _____ of **PERMA TREAT CORPORATION**, a Delaware corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

Matthew T. Welsh

Notary Public
My commission expires:



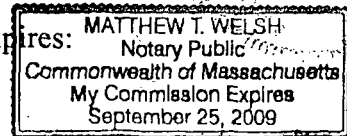
CERTIFICATE OF ACKNOWLEDGMENT

COMMONWEALTH OR STATE OF: Massachusetts
COUNTY OF: Sutton) ss.

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this ___ day of _____, 20___, personally appeared _____ to me known personally, and who, being by me duly sworn, deposes and says that /s/he is the _____ of **DH ESTATES, INC.**, a Delaware corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

Matthew T. Welsh

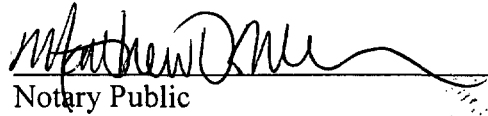
Notary Public
My commission expires:



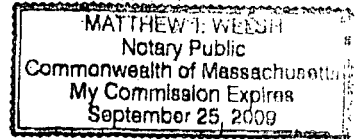
CERTIFICATE OF ACKNOWLEDGMENT

COMMONWEALTH OR STATE OF: Massachusetts)
) ss.
COUNTY OF: Suffolk)

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this ___ day of _____, 20___, personally appeared _____ to me known personally, and who, being by me duly sworn, deposes and says that /s/he is the _____ of **HUDSON RIVER ESTATES, INC.**, a New York corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

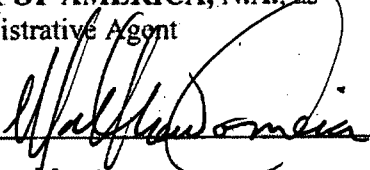


Notary Public
My commission expires:



Accepted:

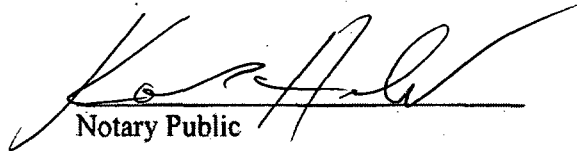
BANK OF AMERICA, N.A., as
Administrative Agent

By: 
Name: **Matthew C. Correia**
Title: **Assistant Vice President**


CERTIFICATE OF ACKNOWLEDGMENT

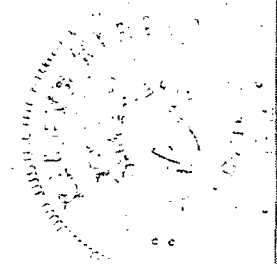
COMMONWEALTH OR STATE OF: Massachusetts)
) ss.
COUNTY OF: Suffolk)

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this 30 day of June, 2006, personally appeared Matthew Correia to me known personally, and who, being by me duly sworn, deposes and says that s/he is the AVP of **BANK OF AMERICA, N.A.**, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said Matthew Correia acknowledged said instrument to be the free act and deed of said corporation.


Notary Public

My commission expires:

 **KALENS HEROLD**
Notary Public
Commonwealth of Massachusetts
My Commission Expires
January 25, 2013



Schedule 1

Description of Rolling Stock

LOCOMOTIVES (78 Units)

Two (2) Model GP-7 EMD 1,500 HP locomotives owned by Maine Central Railroad Company ("MEC") bearing Road Nos. MEC-12 and MEC-15.

Eight (8) Model GP-9 EMD 1,750 HP locomotives owned by Boston and Maine Corporation ("BM") bearing Road Nos. BM-45 through BM-77.

Ten (10) Model GP-35 EMD 2,500 HP locomotives owned by Springfield Terminal Railway Company ("ST") bearing Road Nos. ST-203 through ST-216.

One (1) Model GP-38 EMD 2,000 HP locomotive owned by Boston and Maine Corporation bearing Road No. BM-252.

Twenty (20) Model GP-40 EMD 3,000 HP locomotives owned by Maine Central Railroad Company bearing Road Nos. MEC-300 through MEC-321.

Eleven (11) Model GP-40 EMD 3,000 HP locomotives owned by Boston and Maine Corporation bearing Road Nos. BM-326 through BM-342.

Twenty-Two (22) Model GP-40 EMD 3,000 HP locomotives owned by Maine Central Railroad Company bearing Road Nos. MEC-343 through MEC-381.

Two (2) Model SD-26 EMD 2,625 HP locomotives owned by Springfield Terminal Railway Company bearing Road Nos. ST-621 and ST-643.

One (1) Model SD-45 EMD 3,600 HP locomotive owned by Springfield Terminal Railway Company bearing Road No. ST-681.

One (1) Model SD-39 EMD 2,300 locomotive owned by Boston and Maine Corporation bearing Road No. BM-690.

FREIGHT CARS (1,251 Units)

Ninety-five PCF (95) 77-ton 50' boxcars owned by Boston and Maine Corporation bearing road Nos. BM-3200 through 3299.

Two (2) SIECO 77-ton 50' boxcars owned by Boston and Maine Corporation bearing Road Nos. BM-3300 and BM-3318.

Seventeen (17) ACF 77 ton 50' boxcars owned by Boston and Maine Corporation bearing Road Nos. BM-3301 through BM-3317.

Twenty-eight (28) PORTEC 77 ton 50' boxcars owned by Boston and Maine Corporation bearing Road Nos. BM-3319 through BM-3349.

Forty-eight (48) PORTEC 77-ton 50' boxcars owned by Boston and Maine Corporation bearing Road Nos. BM-3350 through BM-3399.

Twenty-six (26) South Iron 77-ton 50' boxcars owned by Boston and Maine Corporation bearing Road Nos. BM-3500 through BM-3539.

Thirty-seven (37) USEX 77-ton 50' boxcars owned by Boston and Maine Corporation bearing Road Nos. BM-79000 through BM-79048.

Four (4) ACF 77-ton 50' boxcars owned by Maine Central Railroad Company bearing Road Nos. MEC-27101, MEC-27109, MEC-27110 and MEC-27118.

One hundred one (101) ACF 77 ton 50' boxcars owned by Maine Central Railroad Company bearing Road Nos. MEC-29001 through MEC-29229.

One hundred forty-three (143) FMC 77 ton 50' boxcars owned by Maine Central Railroad Company bearing Road Nos. MEC-31750 through MEC-31899.

Two hundred thirty-four (234) FMC 77-ton 50' boxcars owned by Maine Central Railroad Company bearing Road Nos. MEC-31900 through MEC-32149.

Twenty-seven (27) Pitt St 57' 100-ton gondola cars owned by Boston and Maine Corporation bearing Road Nos. BM-9001 through BM-9029.

Twelve (12) FMC 100-ton 57' gondola cars owned by Boston and Maine Corporation bearing Road Nos. BM-9030 through BM-9041.

Fifty-five (55) USEX 100-ton 57' gondola cars owned by Boston and Maine Corporation bearing Road Nos. BM-9042 through BM-9099.

Seventy-three (73) SIECO 100-ton 57' gondola cars owned by Maine Central Railroad Company bearing Road Nos. MEC-1100 through MEC-1174.

Fifteen (15) Pitt St 50-ton 57' gondola cars owned by Maine Central Railroad Company bearing Road Nos. MEC-12100 through MEC-12121.

Thirty (30) Beth St 77-ton 57' gondola cars owned by Maine Central Railroad Company bearing Road Nos. MEC-14103 through MEC-14248.

Nine (9) Pullman 70 ton covered hopper cars owned by Boston and Maine Corporation bearing Road Nos. BM-2750 through BM-2758.

Thirty-seven (37) Beth St 100-ton hopper cars owned by Boston and Maine Corporation bearing Road Nos. BM-1001 through BM-1198.

Twenty-five (25) Beth St 100-ton hopper cars owned by Boston and Maine Corporation bearing Road Nos. BM-1252 through BM-1364.

Thirty (30) Pullman 70-ton hopper cars owned by Boston and Maine Corporation bearing Road Nos. BM-2900 through BM-2929.

Fifty-three (53) USEX 70-ton hopper cars owned by Boston and Maine Corporation bearing Road Nos. BM-10002 through BM-10298.

Nine (9) Pullman 100-ton hopper cars owned by Maine Central Railroad Company bearing Road Nos. MEC-115 through MEC-213.

Eight (8) Austin & Western 25-ton hopper cars owned by Maine Central Railroad Company bearing Road Nos. MEC-1040 through MEC-1050.

Three (3) Austin & Western 27-32 ton hopper cars owned by Maine Central Railroad Company bearing Road Nos. MEC-1052 through MEC-1054.

Forty (40) Magor 100-ton hopper cars owned by Maine Central Railroad Company bearing Road Nos. MEC-1301 through MEC-1378.

Seven (7) Pullman 55-ton wheel cars owned by Boston and Maine Corporation bearing Road Nos. BM-2732 through BM-2739.

Twenty-five (25) Beth St 50-ton rail train cars owned by Boston and Maine Corporation bearing Road Nos. BM-2950 through BM-2986.

Ten (10) USEX 50-ton flat cars owned by Boston and Maine Corporation bearing Road Nos. BM-34006 through BM-34088.

Forty-seven (47) Magor 52-ton pulpwood cars owned by Maine Central Railroad Company bearing Road Nos. MEC-1400 through MEC-1597.

One (1) Magor 52-ton beam car owned by Maine Central Railroad Company bearing Road No. MEC-200000.