

7/13-A
RECORDATION NO. _____ Filed & Recorded

SEP 11 1973 - 9 25 AM

SUBORDINATION AGREEMENT

This Agreement, dated September 7, 1973 from The First National Bank of Boston, 100 Federal Street, Boston, Massachusetts, (the "Trustee") to Mellon Bank, N.A., Mellon Square, Pittsburgh, Pennsylvania ("Mellon"),

W I T N E S S E T H T H A T:

WHEREAS, the Trustee is the Trustee under the First Mortgage, dated as of July 1, 1901, as supplemented by the Supplemental Indenture dated February 1, 1956 (the "First Mortgage") of Bangor and Aroostook Railroad Company, a corporation organized under the laws of the State of Maine (the "Company");

WHEREAS, Mellon and the Company have entered into a Bank Credit Agreement, dated June 29, 1973, pursuant to which the Company may borrow from Mellon not in excess of \$1,600,000, which indebtedness is to be incurred to reimburse the Company for and to refinance part of the Company's cost of acquisition of, and is to be secured by a Chattel Mortgage (the "Chattel Mortgage") dated as of July 17, 1973, from the Company to Mellon Bank covering 200 70-ton 50' 6" railroad box cars numbered 5800 to 5999 inclusive (the "Box Cars").

WHEREAS, Section 11 of Article Twelve of the First Mortgage provides that the Trustee shall, on satisfaction of certain conditions, execute an instrument subordinating the lien of the First Mortgage to a lien such as that which is to be created and evidenced by the Chattel Mortgage, and all such conditions have been fulfilled;

NOW, THEREFORE, the Trustee in compliance with the requirements of Section 11 of said Article Twelve hereby subordinates to the Chattel Mortgage the lien of the First Mortgage upon the Box Cars so subjected to said Chattel Mortgage with the same force and effect as if the said Credit Agreement and Chattel Mortgage had each been executed and delivered by the parties thereto and recorded prior to the execution, delivery and recordation of the First Mortgage and that all financing statements under the Uniform Commercial Code necessary to perfect the security interests in the Box Cars under the Chattel Mortgage had been filed in all appropriate filing offices prior to any such filings in respect of the First Mortgage.

"A"

The Trustee agrees to give the holder of said Chattel Mortgage from time to time notice of any defaults under said First Mortgage and agrees that such holder shall have the right (but not the obligation) to cure any such defaults within the grace periods provided in said First Mortgage and the holder of said Chattel Mortgage hereby agrees it will give the Trustee notice of any defaults under said Credit Agreement or under said Chattel Mortgage, and the Trustee shall have the opportunity (but not the obligation) to cure any such defaults within any applicable grace periods.

The agreements and undertakings herein set forth shall be binding upon and inure to the benefit of the parties and their successors and assigns. Nothing herein shall be construed to give any person any right, remedy or claim, legal or equitable, hereunder other than the Trustee and Mellon and their successors and assigns.

IN WITNESS WHEREOF, the Trustee and Mellon pursuant to due corporate authority, have each caused their name and seal to be affixed hereto as of the day and year first above written.

The First National Bank of Boston

By


VICE PRESIDENT

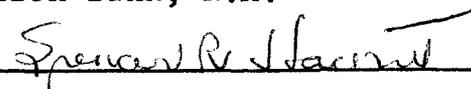
Attest:


Title
ASSISTANT VICE PRESIDENT

[CORPORATE SEAL]

Mellon Bank, N.A.

By


LOAN OFFICER

[CORPORATE SEAL]

COMMONWEALTH of Massachusetts)
COUNTY OF Suffolk) ss:

On this, the 7th day of September, 1973, before me, a Notary Public, personally appeared C. J. DUCIE JR, to me personally known, who being by me duly sworn, says that he is the VICE President of THE FIRST NATIONAL BANK OF BOSTON, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument by him on this date was the free act and deed of said corporation.

Carl E. Greenleaf
Notary Public

My Commission Expires: 11/2/73

STATE OF PENNSYLVANIA)
COUNTY OF ALLEGHENY) ss:

On this, the 14th day of August, 1973, before me, a Notary Public, personally appeared SPENCER R. JACKETT, to me personally known, who being by me duly sworn, says that he is ~~the~~ a Vice President of MELLON BANK, N.A., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument by him on this date was the free act and deed of said corporation.

Matilda Barni
Notary Public

My Commission Expires: