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RECORDATION NO 21663 FILED
SEP 24 '98 10-28 AM

FILE NO. 22780.0005

September 23, 1998

VIA UPS NEXT DAY AIR
Surface Transportation Board
1925 K Street North West
Room 715
Washington, D.C. 20423-0001

Attn: Janice Fort, Recordations

SEP 24 10 28 AM
RECEIVED
SURFACE TRANSPORTATION BOARD

Dear Ms. Fort:

Enclosed for recording with the Surface Transportation Board, pursuant to Section 11303 of Title 49 of the United States Code, are two original fully executed, notarized documents described below:

This document is a Loan and Security Agreement ("Security Agreement"), a primary document dated as of September 23, 1998, among Pinsly Railroad Company, a Delaware corporation ("Pinsly"), Florida Central Railroad Company, Inc., a Florida corporation ("Florida Central"), Florida Midland Railroad Company, Inc., a Florida corporation ("Florida Midland"), Florida Northern Railroad Company, Inc., a Florida corporation ("Florida Northern"), Pioneer Valley Railroad Company, Inc., a Nevada corporation ("Pioneer Valley"), Arkansas Midland Railroad Company, Inc., a Delaware corporation ("Arkansas Midland"), Railroad Distribution Services, Inc., a Massachusetts corporation ("RMA"), Railroad Distribution Services, Inc., an Arkansas corporation ("RAR") and Railroad Distribution Services, Inc., a Florida corporation ("RFL") (Pinsly, Florida Central, Florida Midland, Florida Northern, Pioneer Valley, Arkansas Midland, RMA, RAR and RFL are referred to collectively herein as the "Debtors") and BankBoston, N.A. (the "Secured Party"), covering the Debtors' rolling stock now owned or hereinafter acquired and all other properties and rights of the Debtors. Descriptions of the rolling stock are attached to the Security Agreement as Exhibit "H", as the same may be revised from time-to-time, but the property covered by the Security Agreement is not limited to that listed in Exhibit "H".

The names and addresses of the parties to the Security Agreement are as follows: the Debtors are: Pinsly Railroad Company, Florida Central Railroad Company, Inc., Florida Midland Railroad Company, Inc., Florida Northern Railroad Company, Inc., Pioneer Valley Railroad Company, Inc., Arkansas Midland Railroad Company, Inc., Railroad Distribution Services, Inc.

(Massachusetts), Railroad Distribution Services, Inc. (Florida) and Railroad Distribution Services, Inc. (Arkansas). Each of the Debtors has its chief executive office at 53 Southampton Road, Westfield, Massachusetts 01085. The Secured Party is BankBoston, N.A., whose head office is located at 100 Federal Street, Boston, Massachusetts 02110.

Included in the property covered by the aforesaid Security Agreement, are railroad cars, locomotives and other rolling stock intended for use related to interstate commerce, or interests therein, owned and leased by the Debtors at the date of said Security Agreement or thereafter acquired by it or its successors as owners of the lines of railways covered by the Security Agreement.

A short summary of the document to appear in the Surface Transportation Boards Register is as follows:

> "A Loan and Security Agreement (the "Security Agreement"), dated as of September 23, 1998 among (i) Pinsly Railroad Company, a Delaware corporation, Florida Central Railroad Company, Inc., a Florida corporation, Florida Midland Railroad Company, Inc., a Florida corporation, Florida Northern Railroad Company, Inc., a Florida corporation, Pioneer Valley Railroad Company, Inc., a Nevada corporation, Arkansas Midland Railroad Company, Inc., a Delaware corporation, Railroad Distribution Services, Inc., a Massachusetts corporation, Railroad Distribution Services, Inc., an Arkansas corporation and Railroad Distribution Services, Inc., a Florida corporation, as the Debtors, and (ii) BankBoston, N.A., as the Secured Party, covering the Debtors' rolling stock and all other properties and rights of the Debtors. Descriptions of the rolling stock are attached to the Security Agreement in Exhibit "H."

Of the Debtor parties listed, the three (3) Railroad Distribution Services, Inc. corporations own no railroad equipment. All of the other Debtor parties, except Pinsly Railroad Company, are operating railroads and cross-references to any recordations made should be entered under their names in the Surface Transportation Boards Register. Pinsly Railroad Company lists a private rail business care in Exhibit "H", as distinct from locomotive or other rolling stock; this, too should be cross-referenced.

Also is a check in the amount of $26.00, 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 document at your earliest convenience by stamping and returning to the undersigned the enclosed copy of this letter, together with the additional copy of the Security Agreement as filed.

If you have any questions with respect to the enclosed document, please contact the undersigned.

Sincerely,

PETER W. SHRAIR

PWS/cg

cc: Mary Meehan, Director
BankBoston, N.A.

RECORDATION NO 21663 FILED

SEP 24 '98 10-28 AM

LOAN AND SECURITY AGREEMENT

AGREEMENT made as of this 23rd day of September, 1998, by and between Pinsly Railroad Company, a Delaware corporation having a chief executive principal place of business at 53 Southampton Road, Westfield, Massachusetts, 01085 ("Pinsly"), Florida Central Railroad Company, Inc., a Florida corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts ("Florida Central"), Florida Midland Railroad Company, Inc., a Florida corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts ("Florida Midland"), Florida Northern Railroad Company, a Florida corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts ("Florida Northern"), Pioneer Valley Railroad Company, a Nevada corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts ("Pioneer Valley"), Arkansas Midland Railroad Company, Inc., a Delaware corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts ("Arkansas Midland"), Railroad Distribution Services, Inc., a Massachusetts corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts ("RMA"), Railroad Distribution Services, Inc., an Arkansas corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts ("RAR"), and Railroad Distribution Services, Inc., a Florida corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts ("RFL") (collectively hereinafter referred to as the "Borrowers", each, singly, a "Borrower"), and BankBoston, N.A., a national banking association organized under the laws of the United States of America, having a usual place of business at 100 Federal Street, Boston, Massachusetts (hereinafter referred to as the "Lender").

1.00 DEFINITIONS AND ACCOUNTING TERMS

As used in this Agreement, the following terms have the following meanings (terms defined in the singular to have the same meaning when used in the plural and vice versa):

"Advance" means an Advance by Lender to Borrowers in accordance with the terms and conditions of the Note, this Agreement, the Mortgage or any other Loan Documents.

"Affiliate" means any person controlling, controlled by, or under common control with Borrowers. For purposes of this definition "Control" means the possession, directly or indirectly of the power to direct or cause direction of the management and policies of the Borrowers, whether through ownership of common or preferred stock or other equity interests, by contract or otherwise. Without limiting the generality of the forgoing, each of the following shall be an Affiliate: Any officer, director, employee or other agent of Borrowers, any shareholder or subsidiary of Borrowers and any other Person with whom for which Borrowers have common shareholders, officers and directors.

"Agreement" means this Loan and Security Agreement as amended, supplemented, or modified from time to time.

"Available Amount" means up to Five Million and 00/100 Dollars ($5,000,000.00) of Revolving Line of Credit Loans; provided, however, the Available Amount shall be reduced on a dollar-for-dollar basis to the extent of (i) the outstanding principal balance of Term Election Loans (as defined in Section 2.02) and (ii) the aggregate liability of the Borrower's pursuant to guaranties referenced in Section 7.20 hereof.

"Base Rate" means that rate established and announced as such, from time-to-time by the Lender as its Base Rate, which rate is not necessarily the lowest rate charged by the Lender to its customers.

"Base Loan" means any Loan when and to the extent that the interest rate therefore is determined by reference to the Base Rate.

"Bayport Collateral" means all collateral security held by, pledged or secured to Pinsly to secure the Bayport Note.

"Bayport Investment" means Pinsly's loan to Bayport Terminal L.P. in the maximum principal amount of $3,000,000.00.

"Bayport Note" means the $3,000,000.00 Promissory Note from Bayport Terminal L.P. to Pinsly.

"Bayport Transaction" means Pinsly's Limited Partnership interest in Bayport Terminal L.P. and Pinsly stock ownership interest in Bayport Rail Yard, Inc. and Bayport Rail Services, Inc." and (ii) the consummation of the Venture of acquiring and developing a rail car storage, switching and servicing yard, both in accordance with the Memorandum of Understanding.

"Borrowers' Loan Account" with respect to the Revolving Line of Credit means:

A. Insofar as the Borrowers may request and so long as no Event of Default has occurred, pursuant to the Revolving Line of Credit, the Lender shall enter such loans as debits in the Borrowers' Loan Account. The Lender shall also record as a debit to the Borrowers' Loan Account, in accordance with customary accounting practice, all other obligations, debts, charges, expenses, and other items properly chargeable to the Borrowers; and shall credit all payments made by the Borrowers on account of indebtedness evidenced by the Borrowers' Loan Account and other appropriate debits and credits. The principal balance of the Borrowers' Loan Account shall reflect the amount of the Borrowers' indebtedness to the Lender from time-to-time by reason of loans and other appropriate charges hereunder. At least once each month the Lender shall render a statement of account for the Borrowers' Loan Account which statement shall be considered correct and accepted by the Guarantors and presumptively and judicially binding upon the Borrowers, unless the subject of written objection received by Lender within thirty (30) days from its mailing to Borrowers.

B. The Borrowers agrees that the debit balance of the Borrowers' Loan Account shall at no time exceed the Available Amount and that if at any time such excess does arise, the Borrowers shall pledge, assign, and transfer to the Lender additional Collateral or shall pay cash to the Lender to be credited to the Borrowers' Loan Account, in such amount as may be necessary to eliminate such excess.

C. However, nothing herein shall be construed to restrict the Lender, in its sole and exclusive discretion, from making Advances in excess of the stated Available Amount or waiving other requirements herein, without executing any additional promissory note, Loan and Security Agreement, or other evidence of debt, and its so doing at any time, or times, shall not waive its rights to insist upon strict compliance with the terms thereof at any other time.

"Business Day" means any day other than a Saturday, Sunday, or other day on which commercial banks in Massachusetts are authorized or required to close under the laws of The Commonwealth of Massachusetts.

"Code" means the Internal Revenue Code of 1986, as amended from time-to-time and the regulations and published interpretations thereof.

"Collateral" means any and all personal property or chose in action, of the Borrowers and in which the Lender now has, by this agreement acquires or hereafter acquires, a security interest as more fully described in Section 5.00 of this Agreement.

"Debt" means, as applied to any Person, as of any date of determination (without duplication):

(a) all obligations of such Person for borrowed money (whether or not represented by bonds, debentures, notes, drafts or other similar instruments) or evidenced by bonds, debentures, notes, drafts or similar instruments;

(b) all obligations of such Person for all, or any part of, the deferred purchase price of property or services, or for the cost of property constructed or of improvements thereon, other than

trade accounts payable incurred, in respect of property purchased, in the ordinary course of business, which are not overdue or which are being contested in good faith by appropriate proceedings and are not required to be classified on such Person's balance sheet, in accordance with GAAP, as debt;

(c) all obligations secured by any Lien on or payable out of the proceeds of production from property owned or held by such Person even though such Person has not assumed or become liable for the payment of such obligation;

(d) all capital lease obligations of such Person;

(e) all obligations of such Person, contingent or otherwise, in respect of any letter of credit facilities, bankers' acceptance facilities or other similar credit facilities other than any such obligation which relate to an underlying obligation which otherwise constitutes Debt of such Person hereunder or a current account payable of such Person incurred in the ordinary course of business;

(f) all obligations of such Person upon which interest payments are customarily made; and

(g) all Guaranties by such Person of or with respect to obligations of the character referred to in the foregoing clauses (a) through (f) of another Person;

provided, however, that in determining the Debt of any Person, (i) all liabilities for which such Person is jointly and severally liable with one or more other Persons (including, without limitation, all liabilities of any partnership or joint venture of which such Person is a general partner or co-venturer) shall be included at the full amount thereof without regard to any right such Person may have against any such other Persons for contribution or indemnity, and (ii) no effect shall be given to deposits, trust arrangements or similar arrangements which, in accordance with GAAP, extinguish Debt for which such Person remains legally liable.

"Default" means any of the events specified in Section 10.00, whether or not any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

"Environmental Law" means any past, present or future Federal, state, local or foreign statutory or common law, or any regulation, ordinance, code, plan, Order, permit, grant, franchise, concession, restriction or agreement issued, entered, promulgated or approved thereunder, relating to (a) the environment, human health or safety, including, without limitation, emissions, discharges, releases or threatened releases of oil and/or Hazardous Substances into the environment (including, without limitation, air, surface water, groundwater or land), or (b) the manufacture, generation, refining, processing, distribution, use, sale, treatment, receipt, storage, disposal, transport, arranging for transport, or handling of Hazardous Substances.

"Environmental Permits" means collectively, any and all permits, consents, licenses, approvals and registrations of any nature at any time required pursuant to or in order to comply with any Environmental Law.

"ERISA" means the Employment Retirement Income Security Act of 1974, as amended from time-to-time, and the regulations and published interpretations thereof.

"Eurocurrency Reserve Requirement" means, for any LIBOR Loan for any Interest Period therefor, the daily average of the stated maximum rate (expressed as a decimal) at which reserves (including any marginal, supplemental, or emergency reserves), if any, are required to be maintained during such Interest Period under Regulation D by the Lender against "Eurocurrency Liabilities" (as such term is used in Regulation D) but without benefit or credit of proration, exemptions, or offsets that might otherwise be available to the Lender from time-to-time under Regulation D. Without limiting the effect of the foregoing, the Eurocurrency Reserve Requirement shall reflect any other reserves required to be maintained by the Lender against (a) any category of liabilities that includes deposits by reference to which the LIBOR Interest Rate for LIBOR Loans is to be determined; or (b) any category of extension of credit or other assets

that includes LIBOR Loans.

"Event of Default" means any of the events specified in Section 10.00, provided that any requirement (if any) for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

"Expiration Date" means August __, 2001."

"Funded Debt" means at any date of determination, the aggregate principal amount of all Funded Debt of the Borrowers determined in accordance with GAAP.

"GAAP" means generally accepted accounting principles consistently applied, in accordance with financial reporting standards from time-to-time in effect among nationally recognized certified public accounting firms in the United States.

"Governmental Body" means any Federal, state, municipal, local or other governmental department, commission, board, bureau, agency, instrumentality, political subdivision or taxing authority of any country.

"Guarantors" means all subsidiary corporations or other business entities in which any or all of the Borrowers (individually or in the aggregate) have a fifty percent (50%) or greater voting interest other than Bayport Terminal, L.P., Bayport Rail Services, Inc. and Bayport Rail Yard, Inc.

"Hazardous Substances" means collectively, contaminants; pollutants; toxic or hazardous chemicals, substances, materials, wastes and constituents; petroleum products; polychlorinated biphenyls; medical wastes; infectious wastes; oil; asbestos; paint containing lead; and urea formaldehyde.

"Incipient Default" means any event or condition which, with the giving of notice or the lapse of time, or both, would become an Event of Default.

"Interest Period" means (i) with respect to any LIBOR Loan, the period commencing on the date such loan is made and ending, as the Borrowers may select, pursuant to Section 2.03, on the corresponding day which is thirty (30), sixty (60), ninety (90), one hundred twenty (120) or one hundred eighty (180) days thereafter, except that each such Interest Period that commences on the last Business Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) shall end on the last Business Day of the appropriate subsequent calendar month; provided that all of the foregoing provisions relating to Interest Periods are subject to the following:

(a) no Interest Period may extend beyond the Expiration Date, in the case of a Revolving Line of Credit Loan or the maturity date of a Term Election Loan without prior written approval of the Lender;

(b) if an Interest Period would end on a day that is not a Business Day, such Interest Period shall be extended to the next Business Day unless such Business Day would fall in the next calendar month, in which event such Interest Period shall end on the immediately preceding Business Day.

"Insolvency" of the Borrowers or any other person means that there shall have occurred with respect to that person one or more of the following events: Dissolution, termination of existence, insolvency, business failure, appointment of a custodian, interim trustee, or trustee, of any part of the property of the Borrowers, assignment or trust mortgage for the benefit of creditors by, or the voluntary or involuntary filing of a petition in bankruptcy or the commencement of any proceedings under any bankruptcy or insolvency laws, or any laws relating to the relief of debts, readjustment of indebtedness, reorganization, composition or extension, by or against Borrowers.

"Intangible Assets" means as of any date of determination, the aggregate book value of all assets of the

following character appearing in a balance sheet of the Borrowers prepared in accordance with GAAP as at such date: goodwill, franchises, trademarks, trade names, licenses, permits, copyrights, organization expense, and all other assets which under GAAP are deemed intangible.

"Interest Charges" for any period shall mean all interest (including the imputed interest factor in respect of Capitalized Leases) and all amortization of debt discount and expense on any particular Indebtedness for which such calculations are being made. Computations of Interest Charges on a proforma basis for indebtedness having a variable interest rate shall be calculated at the rate in effect on the day of any determination.

"Interest Expense" means for any period, the sum of the following amounts for the Borrowers: (a) the aggregate amount of all interest accrued (whether or not actually paid) during such period in respect of Debt (including, without limitation, imputed interest on Capital Leases).

"Inventory" means all of Borrowers' now owned and hereafter acquired goods, merchandise and other personal property, wherever located, to be furnished under any contract of service, or held for sale or lease, all raw materials, work-in-process, finished goods and materials and supplies of any kind, nature or description which are or might be used or consumed in Borrowers' business or used in connection with the manufacture, packing, shipping, advertising, selling or finishing of such goods, merchandise and other personal property, and all documents of title or other documents representing them. Inventory shall not include any goods, merchandise or other personal property which may be in the possession of Borrowers which is not owned by Borrowers.

"Lender" as used in this Agreement shall include the stated Lender herein and, except as the context may indicate a contrary intent, any successor in interest of the Lender.

"Lending Office" means the Lender's office at 100 Federal Street, Boston, Massachusetts.

"Liabilities" of any Person shall mean and include all obligations of such Person which in accordance with GAAP shall be classified on a balance sheet of such Person as liabilities of such Person, and in any event shall include all (i) obligations of such Person for borrowed money or which has been incurred in connection with the acquisition of property or assets, (ii) obligations secured by any Lien or other charge upon property or assets owned by such Person, even though such Person has not assumed or become liable for the payment of such obligations, (iii) obligations created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person, notwithstanding the fact that the rights and remedies of the seller, lender, or lessor under such agreement in the event of default are limited to repossession or sale of property, (iv) obligations under Guaranties, and (v) obligations under any Capitalized Lease.

"LIBOR Interest Rate" means, for each LIBOR Loan, the rate per annum (rounded upward, if necessary, to the nearest 1/16 of 1%) determined by the Lender to be equal to the quotient of (a) the London Interbank offered Rate for such LIBOR Loan for such Interest Period divided by (b) one minus the Eurocurrency Reserve Requirement, if any, for such Interest Period.

"LIBOR Loan" means any Loan when and to the extent that the interest rate therefor is determined by reference to the LIBOR Interest Rate.

"Lien" means any mortgage, deed of trust, pledge, security interest, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), or preference, priority, or other security agreement or preferential arrangement, charge, or encumbrance of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction to evidence any of the foregoing).

"LIFO Adjustment" means for any period, the excess, if any, of (a) the cost of goods sold as shown on a statement of income of the Borrowers for such period, over (b) the amount at which such cost of goods sold would have appeared on such statement of income for such period if inventories of the Borrowers had been accounted for during such

period in accordance with GAAP on a first-in, first-out basis.

"LIFO Inventory Reserve" means as of any date, the amount, if any, by which (a) the amount of inventories as shown on a balance sheet of the Borrowers as of such date shall be less than (b) the amount at which such inventory would have appeared on such balance sheet an of such date if such inventories had been accounted for in accordance with GAAP on a first-in, first-out basis.

"Loan(s)" means (i) a LIBOR or Base Rate Revolving Line of Credit Loan or (ii) Term Election Loans.

"Loan Documents" means this Agreement, any Note or other documents related to the transactions discussed in this Agreement.

"London Interbank Offered Rate" applicable to any Interest Period for a LIBOR Loan means the rate per annum (rounded upward, if necessary, to the nearest 1/16 of 1%) quoted on the applicable page of the Daily Telerate Financial Reporting Service as the LIBOR Rate or Reuter's LIBOR Page (or, if such reporting services are no longer provided, at the LIBOR Rate published in comparable financial reporting services) for offered rates for deposits in United States Dollars for a period of time comparable to the specified Interest Period, as of 11:00 a.m. London time on the day that is two Business Days preceding the first day of the requested LIBOR Loan for such Interest Period.

"Long Term Lease" means any lease of property (real, personal or mixed), other than a Capital Lease, having a term (including terms of renewal or extension at the option of the lessee, whether or not such option has been exercised) expiring more than one year after the commencement of the initial term.

"Long Term Lease Rentals" means for any period, the total amount (whether designated as rentals or additional or supplemental rentals or otherwise) payable by the Borrowers as lessee under Long Term Leases during such period less, in the case of any such Long Term Lease, the amount of rentals payable to the Borrowers during such period under any sublease, which is not in default, of the property subject to such Long Term Lease.

"Maximum Amount" means Five Million and 00/100 Dollars ($5,000,000.00).

"Mortgaged Premises" means the parcel of land with improvements thereon more fully described in **Exhibit "A"**.

"Multiemployer Plan" means a Plan described in Section 4001(a)(3) of ERISA.

"Net Income" means for any period, the net income (or deficit) of the Borrowers for such period (taken as a cumulative whole) after deducting, without duplication, operating expenses, provisions for all taxes and reserves (including reserves for deferred income taxes) and all other proper deductions, all determined in accordance with GAAP.

"Net Worth" shall mean, as of the date of any determination thereof, the aggregate amount of the capital stock (less treasury stock), surplus and retained earnings of a Borrower.

"Note" means the Revolving Line of Credit Note and Term Notes issued pursuant to a Term Election (collectively, the "Note").

"Obligation" and "Obligations" shall mean any and all liabilities and obligations of the Borrowers to the Lender of every kind and description, direct or indirect, absolute or contingent, primary or secondary, due or to become due, now existing or hereafter arising, regardless of how they arise or by what agreement or instrument they may be evidenced or whether evidenced by any agreement or instrument, and includes (i) the Revolving Line of Credit, (ii) any Letter or Letters of Credit (including Letter of Credit Notes) (iii) Term Note made pursuant to a Term Election, (iv) obligations to perform acts and refrain from taking action, as well as obligations to pay money, (v) reimbursement obligations of the Borrowers, pursuant to any documentation executed in conjunction with or related to the issuance by the Lender of any Letters of Credit, (vi) Guaranty Obligations, and/or (vii) interest rate protection agreements designed to hedge against fluctuations in interest rates or other similar agreements designed to hedge against fluctuations in foreign exchange rates.

"PBGC" means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Permitted Encumbrance" means the liens, claims, assessments, encumbrances, and rights of others encumbering title to the Mortgaged Premises which are set forth on **Exhibit "B"**.

"Person" means an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority, or other entity of whatever nature.

"Principal Office" means the Lender's office at 100 Federal Street, Boston, Massachusetts.

"Prohibited Transaction" means any transaction set forth in Section 406 of ERISA or Section 4975 of the Code.

"Receivables" means all of Borrowers' now owned and hereafter acquired accounts (whether or not earned by performance), proceeds of any letters of credit naming Borrowers as beneficiary, contract rights, chattel paper, instruments, documents and all other forms of obligations at any time owing to Borrowers, all guaranties and other security therefore, whether secured or unsecured, all merchandise returned to or repossessed by Borrowers and all rights of stoppage in transit and all other rights or remedies of an unpaid vendor, lienor or secured party.

"Regulation D" means Regulation D of the Board of Governors of the Federal Reserve System as amended or supplemented from time-to-time.

"Related Transaction" means the joint venture between Pinsly and Bayport Rail Leasing, Inc., an Affiliate of U.S. Development Group, as more fully described in a Memorandum of Understanding between Pinsly and U.S. Development Group, a partnership with principal offices at 9800 Fairmont Parkway, Pasadena, Texas, including Dean Truitt, Dan Borgen and Michael Curry (the "Memorandum of Understanding") pursuant to which (i) the Bayport Transaction shall be consummated, (ii) the Bayport Investment shall be made and (iii) the Bayport Collateral shall be pledged.

"Rentals" shall mean and include all fixed rents (including as such all payments which the lessee is obligated to make to the lessor on termination of the lease or surrender the property) payable by the Borrowers, as lessee or sublessee under lease of real or personal property, but shall be exclusive of any amounts required to be paid by the Borrowers (whether or not designated as rents or additional rents) on account of maintenance, repairs, insurance, taxes and similar charges. Fixed rents under any so-called "percentage lease" shall be computed solely on the basis of the minimum rents, if any, required to be paid by the lessee regardless of sales volume or gross revenues.

"Reportable Event" means any of the events set forth in Section 4043 of ERISA.

"Revolving Line of Credit Loan(s)" or "Revolving Credit Loan(s)" shall have the meaning assigned to such terms in Section 2.01.

"Revolving Line of Credit Note" shall have the meaning assigned to such term in Section 2.01.

"Security" shall have the same meaning as in Section 2(1) of the Securities Act of 1933, as amended.

"Swap Loan" means any loan when and to the extent that the interest rate therefore is determined by reference to the Swap Rate in accordance with the policies and agreements promulgated by Lender's Swap Desk.

"Swap Rate" means that rate established and announced as such, from time-to-time by the Lender as its Swap Rate.

"Tangible Net Worth" means as of any date of determination, the net value of the Borrowers' Stockholders' Equity, as defined according to GAAP less the book value as of such date of Intangible Assets.

"Total Assets" means as of any date of determination, the net book value of all assets of the Borrowers determined as of such date in accordance with GAAP.

"Total Liabilities" means as of any date of determination, the total of all Liabilities of the Borrowers which would be properly classified as liabilities, whether current or long-term, in accordance with GAAP.

1.01 ACCOUNTING TERMS

All accounting terms not specifically defined herein shall be construed in accordance with GAAP consistent with those applied in the preparation of the financial statements and all financial data submitted pursuant to this Agreement shall be prepared in accordance with such principles.

2.00 THE REVOLVING LINE OF CREDIT

2.01 REVOLVING LINE OF CREDIT FACILITY

A Five Million and 00/100 Dollar ($5,000,000.00) Revolving Line of Credit (the "Revolving Line of Credit") will be made available, repayable the earlier of the Expiration Date or upon the occurrence of an Event of Default, with Loans made from time-to-time during the period from the date of this Agreement up to, but not including, the date when the Revolving Line of Credit is repayable. Loans may be in any amount within the limits of the Available Amount and within such limits, the Borrowers may borrow and repay pursuant to Section 4.02, and re-borrow under this Section 2.01 on such terms and conditions as are contained herein. Each Loan shall be made and maintained at the Lender's Lending office for such Loan. The Borrowers shall pay interest to the Lender, which shall be calculated daily and payable monthly, in arrears, on the outstanding and unpaid principal amount of the Revolving Line of Credit Loans made under this Agreement during the preceding month at a rate per annum as follows:

A. For a Base Loan at a rate equal to Base Rate; or

B. For a LIBOR Loan at a rate equal to the LIBOR interest rate, plus One Hundred Thirty-Five (135) basis points based upon the Interest Period selected by the Borrowers and confirmed in writing to the Borrowers following Borrowers' request for a LIBOR Loan or a conversion to a LIBOR Loan, as set forth in Section 2.04 below; or

2.02 TERM ELECTION

A. Lender agrees to allow Borrowers to amortize the repayment of Advances under the Revolving Line of Credit over a period of time which may not exceed eight (8) years from the date of this Agreement, which shall be referred to as a "Term Election". Advances shall only be made if, in the sole opinion of the Lender, there has been no material adverse change in the Borrowers' financial condition and no Event of Default has occurred under this Agreement.

All Term Election Loans shall bear interest which shall be calculated daily and payable monthly, in arrears, on the outstanding and unpaid principal balance at a rate per annum as follows:

A. For a Base Loan at a rate equal to Base Rate; or

B. For a LIBOR Loan at a rate equal to the LIBOR interest rate, plus One Hundred Thirty-Five (135) basis points based upon the Interest Period selected by the Borrowers and confirmed in writing to the Borrowers following Borrowers' request for a LIBOR Loan or a conversion to a LIBOR Loan, as set forth in Section 2.04 below; or

C. For a Swap Loan, the Swap Rate, plus One Hundred Thirty-Five (135) basis points in accordance with the policies and agreements promulgated by the Lenders Swap Desk.

Each Term Election Loan shall be repaid monthly, based upon an amortization schedule which shall not exceed

eight (8) years from the date of execution of this Agreement, in accordance with individual term promissory notes (collectively called "Term Note"), using the form annexed hereto as **Exhibit "C"**. Interest at the stated rate of interest shall be earned upon the (then) principal balance and be paid with each monthly principal payment.

The availability of all Term Election Loans shall cease on the Expiration Date though previously elected Term Election Loans may continue to be amortized beyond the Expiration Date.

2.03 NOTICE AND MANNER OF BORROWING

The Borrowers shall give the Lender written, telefax or telegraphic notice (effective upon receipt) of any Loans under this Agreement, on the Business Day of each Base Loan, at least two business day before each Swap Loan, or at least two (2) Business Days before each LIBOR Loan, specifying in each case: (1) the date of such Loan; (2) the amount of such Loan; (3) the type of such Loan; and (4) in the case of a LIBOR Loan, the duration of the Interest Period applicable thereto. Not later than 2:00 p.m. (EST) on the date of such Loan and upon fulfillment of the applicable conditions set forth in Section 4.08 (including, 4.08.1, 4.08.2, 4.08.3, 4.08.4, 4.08.5, 4.08.6, 4.08.7, 4.08.8, 4.08.9, 4.08.10, 4.08.11, 4.08.12, 4.08.13 and 4.08.14), the Lender will make such Loan available to the Borrowers in immediately available funds by crediting the amount thereof to the Borrowers' Loan Account with the Lender.

All notices given under this Section 2.03 shall be irrevocable and shall be given not later than 2:00 p.m. (EST) on the day which is not less than the number of Business Days specified above for such notice.

2.04 CONVERSION AND RENEWALS

The Borrowers may elect from time-to-time to convert all, or a part of, one type of Loan into another type of Loan permitted under the Revolving Line of Credit facility, or to renew all or part of a Loan by giving the Lender notice at least one (1) Business Day before the conversion into a Base Loan and at least two (2) Business Days before the conversion into or renewal of a LIBOR Loan or Swap Loan; specifying in each case (1) the renewal or conversion date; (2) the amount of the Loan to be converted or renewed; (3) in the case of conversions, a specification that the Loan is to be converted from a Base Loan to a LIBOR Loan or vice versa, as the case may be; and (4) in the case of renewals of, or a conversion into LIBOR Loans, the duration of the Interest Period applicable thereto; provided that:

(a) the minimum principal amount of each Loan outstanding after a renewal or conversion shall be Two Hundred Fifty Thousand and 00/100 Dollars ($250,000.00) or one Hundred Thousand and 00/100 Dollars ($100,000.00) multiples there above in the case of LIBOR Loans; and

(b) LIBOR Loans can be converted only as of the last day of the Interest Period for such Loan. All notices given under this Section 2.04 shall be irrevocable and shall be given not later than 2:00 p.m. (EST) on the day which is not less than the number of Business Days specified above for such notice.

If the Borrowers shall fail to give the Lender the notice as specified above for the renewal or conversion of a LIBOR Loan prior to the end of the Interest Period with respect thereto, such LIBOR Loan shall automatically be converted into a Base Loan on the last day of the Interest Period for such Loan.

2.05 CALCULATION AND PAYMENT OF INTEREST

Any change in the interest rate based on the Base Rate resulting from a change in the Base Rate shall be effective as of the opening of business on the day on which such change in the Base Rate becomes effective.

Interest on each Base Loan and Swap Loan shall be calculated on the basis of a year of 360 days for the actual number of days elapsed for any payment period. Interest on each LIBOR Loan shall be calculated on the basis of a year of 360 days for the actual number of days elapsed for the Interest Period.

Interest on the Loans shall be paid in immediately available funds at the Principal Office of the Lender. Interest shall be calculated daily and payable monthly, in arrears on the average daily unpaid principal sum during the preceding month.

Any principal amount not paid when due (at maturity, by acceleration or otherwise) shall bear interest thereafter until paid in full, payable on demand, at a rate per annum in accordance with Section 4.05.

2.06 THE REVOLVING LINE OF CREDIT NOTE

All Revolving Line of Credit Loans made by the Lender under this Agreement shall be evidenced by, and repaid with interest in accordance with, a single Revolving Line of Credit Note of the Borrowers payable upon the earlier of the Expiration Date or upon the occurrence of an Event of Default and in substantially the form of **Exhibit "D"**, duly completed, dated the date of this Agreement, and payable to the Lender, such Note to represent the obligation of the Borrowers to repay the Revolving Line of Credit Loans. The Lender is hereby authorized by the Borrowers to endorse on the schedule attached to the Note the amount and type of each Revolving Line of Credit Loan and each renewal, conversion, and payment of principal amount received by the Lender for the account of the applicable Lending Office on account of the Revolving Line of Credit Loans, which endorsement shall, in the absence of manifest error, be conclusive as to the outstanding balance of the Revolving Line of Credit Loans made by the Lender; provided, however, that the failure to make such notation with respect to any Revolving Line of Credit Loan or renewal, conversion, or payment shall not limit or otherwise affect the obligations of the Borrowers under this Agreement or the Revolving Line of Credit Note.

2.07 BORROWERS PROMISES TO PAY

A. With respect to the Revolving Line of Credit Note, the Borrowers promise to pay to the Lender, or order:

1. The current amount of the debit balance of the Borrowers' Loan Account upon the earlier of the Expiration Date or upon the occurrence of an Event of Default;

2. Interest on the Loans at the rates and charges described in Sections 2.01, computed monthly on the average daily unpaid principal balance of all of Borrowers' Loan Account; and

3. Any and all charges, and expenses of every kind or description reasonably paid or incurred by the Lender under or with respect to Loans hereunder or any Collateral therefor or the collection of or realization upon the same including costs of collection, attorneys' fees, expenses of litigation and otherwise. The Borrowers hereby authorize the Lender to charge interest, charges, and other expenses and fees provided for in this Agreement to any deposit account of the Borrowers, with the Lender, or to the Borrowers' Loan Account.

B. With respect to the Term Notes where a Term Election is made, the Borrowers promise to pay to the Lender, or order:

1. Principal and interest on the Loans at the rates and charges described in Sections 2.02, computed monthly on the average daily unpaid principal balance of any Term Election Loans; and

2. Any and all charges, and expenses of every kind or description reasonably paid or incurred by the Lender under or with respect to Loans hereunder or any Collateral therefor or the collection of or realization upon the same including costs of collection, attorneys' fees, expenses of litigation and otherwise. The Borrowers hereby authorize the Lender to charge interest, charges, and other expenses and fees provided for in this Agreement to any deposit account of the Borrowers, with the Lender, or to the Borrowers' Loan Account.

2.08 USE OF PROCEEDS

The proceeds of the Revolving Line of Credit Facility may be used by the Borrowers only to support working capital and provide financing for capital expenditures and acquisitions.

The Borrowers will not, directly or indirectly, use any part of such proceeds for the purpose of purchasing or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System or to extend credit to any Person for the purpose of purchasing or carrying any such margin stock, or for any purpose which violates, or is inconsistent with, Regulation X of such Board of Governors.

2.09 FUNDING LOSS INDEMNIFICATION

The Borrowers shall pay to the Lender, upon the request of the Lender, such amount or amounts as shall be sufficient (in the reasonable opinion of the Lender) to compensate it for any loss, cost, or expense (including the then present value of any lost interest earnings as a result of any re-deployment of prepaid funds) incurred as a result of:

(1) Any payment of a LIBOR Loan and/or Swap Loan on a date other than a scheduled principal payment day or the last day of the Interest Period for such Loan including, but not limited to, acceleration of the Loans by the Lender pursuant to Section 10.00; or

(2) Any failure by the Borrowers to borrow or convert, as the case may be, a LIBOR Loan and/or Swap Loan on the date for borrowing or conversion, as the case may be, specified in the relevant notice provision under Sections 2.03 and 2.04.

3.00 THE GUARANTORS

3.01 GUARANTORS AGREEMENT

At such time of the formation of any Guarantor, the Guarantor shall execute an unlimited guaranty of payment and performance of all obligations of the Borrowers to the Lender. Such guaranty shall be secured by a security interest in all of the Guarantor's personal property assets and chose-in-action. A copy of the Guaranty to be executed by each Guarantor is annexed hereto as **Exhibit "E"**.

4.00 GENERALLY

As to all Loans made pursuant to this Agreement:

4.01 CROSS DEFAULT

A default of any of the terms and conditions of:

(i) any Obligation, of the Borrowers to the Lender (including, without limitation any reimbursement obligations arising out of any Letters of Credit which the Lender may later issue on behalf of the Borrowers) or any document or instrument evidencing such an obligation, or

(ii) the obligations of the Borrowers under any Debt to any other lender or creditor, shall constitute a default of the Notes, this Agreement, and any other Obligations of the Borrowers to the Lender whether evidenced by notes or otherwise, and which default (i) is a payment or monetary default of such obligations or (ii) results in an acceleration of such indebtedness by such lender or creditor.

4.02 METHOD OF PAYMENT

The Borrowers shall make each payment under this Agreement and under any Note not later than 2:00 p.m. (EST) on the date when due in lawful money of the United States to the Lender at its Principal Office in immediately available funds. The Borrowers hereby authorize the Lender, if and to the extent payment is not made when due under this Agreement or under any Note, to charge from time-to-time against any account of the Borrowers with the Lender any amount so due. Whenever any payment to be made under this Agreement or under any Note shall be stated to be due

on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of the payment of interest except, in the case of a LIBOR Loan, if the result of such extension would be to extend such payment into another calendar month, such payment shall be made on the immediately preceding Business Day.

4.03 PREPAYMENT

The Borrowers may, with respect to any Base Loan only, upon at least one (1) Business Day's notice to the Lender, prepay any Note in whole or in part, with accrued interest to the date of such prepayment on the amount prepaid. LIBOR Loans and/or Swap Loans where a fixed rate of interest has been selected may not be prepaid without Borrowers incurring and paying the Lender, pursuant to the Funding Loss Indemnification, as provided in Section 2.09.

4.04 LATE PAYMENT

Any payment on the Loans received more then ten (10) days after its due date shall be subject to an additional charge of five percent (5.00%) of the amount due.

4.05 INTEREST COMPUTATIONS; DEFAULT INTEREST; CHANGES IN BASE RATE

From and after the occurrence and during the continuance of an Event of Default under Section 10.00 hereof, all amounts outstanding hereunder and under the Notes (whether of principal, interest, or otherwise) shall bear interest at a rate per annum which shall at all times be three percentage points (3%) above the higher of the rate otherwise then in effect, compounded daily and payable on demand, to accrue from the date of the occurrence of such Event of Default until the earlier of (i) the date as of which such Event of Default has been cured, or (ii) the date on which all Obligations of the Borrowers with respect to payment hereunder shall be discharged, whether before or after judgment. To the extent that all or any portion of a Loan bears interest based on the Base Rate, such interest rate shall, whether prior to or after maturity, vary from time-to-time with the Base Rate, any change in the rate of interest to become effective on the date of the change in the Base Rate. All of the actual number of days elapsed divided by 360. Whenever a payment hereunder becomes due on a day which is not a Business Day, the maturity thereof shall be extended to the next succeeding Business Day, and interest shall accrue during such extension.

4.06 ADDITIONAL PAYMENTS

If after the date of this Agreement the Lender reasonably determines that (i) the adoption of or change in any law, rule, regulation or guideline regarding capital requirements for banks or bank holding companies, or any change in the interpretation or application thereof by any governmental authority charged with the administration thereof, or (ii) compliance by the Lender or any parent bank holding company with any guideline, request or directive of any such entity regarding capital adequacy (whether or not having the force of law), has the effect of reducing the return on the Lender's or such holding company's capital as a consequence of the Lender's agreement to make Loans hereunder to a level below that which the Lender or such holding company could have achieved but for such adoption, change or compliance (taking into consideration the Lender's or such holding company's then existing policies with respect to capital adequacy and assuming the full utilization of such entity's capital) by any amount deemed by the Lender to be material, or (iii) as a result from any change after the date of this Agreement in United States, Federal, State, Municipal or Foreign Laws or Regulations (including Regulation D), or the adoption or making after the date of any interpretations, directives or requirements applying to a class of banks, including the Lender of or under any United States, Federal, State, Municipal or Foreign Laws or Regulations (whether or not having the force of law) by any court or governmental or monetary authority charged with the interpretation or administration thereof which changes the basis of taxation of any amounts payable to the Lender under this Agreement, including, without limitation, the Revolving Line of Credit Loan or Term Election Loans (other than taxes imposed on the overall net income of the bank for any of such loans by the jurisdiction where the principal office of the Lender is located), then the Lender shall notify the Borrowers thereof. The Borrowers agree to pay to the Lender the amount of such reduction in the return on capital commencing as of the date of such notification, upon presentation by the Lender of a statement in the amount and setting forth the Lender's calculation thereof, which statement shall be deemed true and correct absent manifest error. In determining such amount, the Lender

may use reasonable averaging and attribution methods. Should Borrowers elect to prepay any LIBOR Loan as a result of such notification, no prepayment penalty shall be imposed.

4.07 TENURE OF THE LOAN AND SECURITY AGREEMENT

This Agreement shall become effective upon the execution by the parties hereto. When so executed, this Agreement shall be binding on, and inure to the benefit of the respective successors and permitted assigns of the Borrowers (if authorized by the Lender, in writing, in the Lender's sole and exclusive discretion), and of the Lender, and shall continue in full force and effect and unchanged except by agreement in writing between the Borrowers and the Lender until terminated as hereinafter provided.

Borrowers expressly recognize and agree that the Lender shall have the right to terminate the Revolving Line of Credit at any time following an Event of Default, either prior or subsequent to, the tendering of any notice of termination. Termination of the Revolving Line of Credit under any circumstances, shall not terminate any of the Borrowers' obligations hereunder of affect any of the Lender's rights or remedies, under this Agreement, or otherwise, with respect to any obligations or with respect to any of the Borrowers' collateral or other surety, or collateral security provided to Lender by any of them, it being understood and agreed that all rights, remedies, and privileges granted to the Lender pursuant to this Agreement, the Notes, or any other document and instrument, shall continue in full force and effect until payment in full of all Obligations.

4.08 CONDITIONS PRECEDENT

The obligation of the Lender to make a Revolving Line of Credit Loan or a Term Election Loan shall be subject to the condition precedent that the Lender shall have received on or before the day of such transaction each of the following, in form and substance satisfactory to the Lender and its counsel in their sole discretion:

4.08.1 EXECUTION OF NOTES

The applicable Note duly executed by the Borrowers.

4.08.2 EVIDENCE OF BORROWERS' AUTHORITY AND INCUMBENCY OF REPRESENTATIVES.

Certified (as of the date of this Agreement) copies of all corporate action taken by the Borrowers, including resolutions of their Board of Directors, authorizing the execution, delivery, and performance of the Loan Documents to which each is a party and each other document to be delivered pursuant to this Agreement together with a certificate (dated as of the date of this Agreement) of the Clerk of the Borrowers certifying the names and true signatures of the officers of the Borrowers authorized to sign the Loan Documents to which each is a party and the other documents to be delivered by the Borrowers under this Agreement.

4.08.3 OPINION

A favorable opinion of counsel for the Borrowers, dated the date of the Loan, in such form as is acceptable to the Lender and as to such other matters as the Lender may request in its sole discretion.

4.08.4 OFFICER'S CERTIFICATE, ETC.

The following statements shall be true and the Lender shall have received a certificate signed by a duly authorized officer of the Borrowers dated the date of the Loan stating that:

a) The representations and warranties contained in Section 6.00 of this Agreement are correct on and as of the date of the Loan as though made on and as of such date; and

b) No Default or Event of Default has occurred and is continuing, or would result from the

making of the Loan.

4.08.5 APPRAISALS

Appraisals of the machinery, equipment, and real estate of Borrowers, satisfactory to the Lender in scope and as to the values reported therein.

4.08.6 SOLVENCY CERTIFICATE

Lender shall have received an executed Solvency Certificate as more fully described in **Exhibit "F"**.

4.08.7 HAZARD INSURANCE

The insurance policies described on **Exhibit "G"** or Certificates of Insurance evidencing same.

4.08.8 UCC AND TAX LIEN SEARCHES

Uniform Commercial Code and federal and state tax lien searches made in each state where each of the Borrowers does business and/or is qualified to do business. For those states requiring duel filing under the Uniform Commercial Code, an additional local search in the appropriate city or town where such filing is necessary to perfect the security interest being granted to the Lender. The Borrowers shall also provide Lender with a search of the Surface Transportation Board which shows no filings relative to any Collateral other than those made pursuant to this Agreement, and no federal or state tax liens against Borrowers or any Guarantor.

4.08.9 CORPORATE DOCUMENTATION

Certified copies of the Borrowers' Articles of Incorporation, By-Laws, Certificates of Good Standing from the Secretary of State's Office in each state where a Borrower is organized and/or qualified to do business and Department of Revenue Office and original Corporate Resolutions, Certificates of Incumbency with specimen signatures.

4.08.10 LICENSES, PERMITS AND APPROVALS

Such other licenses, permits and approvals as Lender or any governmental authority may require.

4.08.11 OPERATING AND FINANCIAL STATEMENTS

Current financial statements satisfactory to Lender for Borrowers and any Guarantor.

4.08.12 DELIVERY OF PLEDGE AGREEMENT

The duly authorized, executed and delivered to the Bank the Pledge Agreement, together with (a) stock certificates representing all stock owned by Pinsly ("Pledged Stock") as well as Pinsly's interest in Bayport Terminal L.P., Bayport Rail Yard, Inc. and Bayport Rail Services, Inc., on the Closing Date and (b) undated stock powers with respect to such stock certificates duly executed by Pinsly in blank together with Medallion signature guaranty.

4.08.13 DELIVERY OF COLLATERAL ASSIGNMENT OF NOTE

The duly authorized, executed and delivered to the Bank, the assignment of the Bayport Note together with all Bayport Collateral.

4.08.14 OTHER ITEMS

The Lender shall have received such other approvals, opinions, certificates or documents as the Lender may reasonably request.

4.09 POWER OF ATTORNEY

Borrowers appoint Lender and its designees as Borrowers' attorney, effective on the occurrence of an Event of Default with the power to endorse Borrowers' name on any checks, notes, acceptances, money orders or other forms of payment or security that come into Lender's possession; to sign Borrowers' name on any invoice or bill of lading relating to any receivable, on drafts against customers, on assignments of receivables, on notices of assignment, financing statements and other public records, and on verifications of accounts sent to account debtors; to send requests for verification of Receivables to customers or account debtors; after the occurrence of any Event of Default or of any Designated Collateral Impairment Event, to sign Borrowers' name on notices to customers or account debtors, to notify account debtors that the Receivables have been assigned to Lender and of Lender's security interest therein, and to notify the post office authorities to change the address for delivery of Borrowers' mail to an address designated by Lender and to open and dispose of all mail addressed to Borrowers; and to do all other things Lender deems necessary and desirable to carry out the terms of this Agreement. Borrowers hereby ratify and approve all acts of such attorney. Neither Lender nor any of its designees will be liable for any acts or omissions nor for any error of judgment or mistake of fact or law acting as Borrowers' attorney. This power, being coupled with an interest, is irrevocable until the Obligations have been fully satisfied and Lender's obligation to provide Loans hereunder shall have terminated.

4.10 JOINT AND SEVERAL LIABILITY OF THE BORROWERS

In consideration of the financial accommodations to be provided by the Lender hereunder for the mutual benefit, direct and indirect, of each of the Borrowers, and in consideration of the undertaking of each of the Borrowers to accept joint and several liability for the Obligations of each of them, each of the Borrowers jointly and severally irrevocably and unconditionally hereby accepts, not merely as a surety but also as a co-debtor, joint and several liability with each other Borrower hereunder with respect to the payment and performance of all of the Obligations arising under this Agreement, it being the intention of the parties hereto that all the Obligations shall be the joint and several Obligations of the Borrowers without preferences or distinction among them. If and to the extent that any of the Borrowers shall fail to make any payment with respect to any of the Obligations hereunder as and when due or to perform any of such Obligations in accordance with the terms thereof, then in each such event, the other Borrowers will make such payment with respect to, or perform, such Obligations. The Obligations of each of the Borrowers under the provisions of this Section 4.10 constitute full recourse Obligations of such Person enforceable against it to the full extent of its properties and assets, irrespective of the validity, regularity or enforceability of this Agreement or any other circumstance whatsoever. The joint and several liability of the Borrowers hereunder shall continue in full force and effect notwithstanding any merger, amalgamation or any other change whatsoever in the name, constitution or place of formation of any of the Borrowers or the Lender. The provisions of this Section 4.10 are made for the benefit of the Lender and its successors and assigns, and may be enforced by it from time to time against any of the Borrowers as often as occasion therefor may arise and without requirement on the part of the Lender first to marshall any of its claims or to exercise any of its rights against the other Borrowers or to exhaust any remedies available to it against the other Borrowers or to resort to any other source or means of obtaining payment of any of the Obligations hereunder or to elect any other remedy. The provisions of this Section 4.10 shall remain in effect until all the Obligations shall have been paid in full or otherwise fully satisfied.

4.11 PAYMENTS TO BE FREE OF DEDUCTIONS

All payments by the Borrowers under this Agreement or the other Loan Documents shall be made without set-off or counterclaim, and free and clear of and without deduction for any taxes, levies, imposts, duties, charges, fees, deductions, withholdings, compulsory loans, restrictions or conditions of any nature now or hereafter imposed or levied by any country or any political subdivision thereof or taxing or other authority therein unless the Borrowers are compelled by law to make such deduction or withholding. If any such obligation is imposed upon the Borrowers with respect to any amount payable by them to or for the account of the Lender hereunder, the Borrowers will pay to the Lender on the date on which such amount becomes due and payable hereunder and in United States dollars, such additional amount as shall be necessary to enable the Lender to receive the same net amount which it would have received on such due date had no such obligation been imposed upon the Borrowers.

4.12 ACCELERATION OF OTHER OBLIGATIONS

The Borrowers agree that if for any reason they replace the Revolving Line of Credit with a line of credit from any other institution, then the Lender shall be entitled to accelerate the Loans of any other Debt due the Lender from any or all of the Borrowers.

5.00 SECURITY INTEREST

Borrowers, for valuable consideration received, hereby pledge, assign, transfer and grant to Lender, a continuing lien and security interest in all of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, including without limitation, the rolling stock described in **Exhibit "H"**, rail ties and capital improvements thereon, equipment, maintenance of way equipment, including without limitation, the maintenance of way equipment described in **Exhibit "I"**, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds. The definition of Collateral shall not include the tangible and intangible assets known as the Easthampton Branch of Pioneer Valley Railroad ("PVR") and South of the Diamond Branch of PVR which are subject to purchase and sale contract ("PVR Assets"), nor any motor vehicles subject to state registration requirements in order to perfect a security interest therein. Notwithstanding the foregoing, if the PVR Assets are not sold by the end of the second quarter of the fiscal year 1999, they shall be pledged and secured to the Lender.

5.01 The security interest granted hereby is to secure payment and performance of all Obligations from Borrowers to Lender, together with all interest, fees, charges and expenses including expenses of the Lender's counsel in the maintaining, foreclosing and selling of any of the Collateral.

5.02 IT IS THE TRUE, CLEAR, AND EXPRESS INTENTION OF THE Borrowers that the continuing grant of this security interest remain as security for payment and performance of all Obligations, whether now existing, or which may hereinafter be incurred by future advances, or otherwise; and whether, or not, such obligation is related to the transaction described in this Agreement, by class, or kind, or whether or not contemplated by the parties at the time of the granting of this security interest. The notice of the continuing grant of this security interest therefore shall not be required to be stated on the face of any document representing any such obligation, nor otherwise identified it as being secured hereby.

6.00 REPRESENTATIONS AND WARRANTIES, GENERALLY

Borrowers also represents, warrants and agrees that:

6.01 CHIEF EXECUTIVE OFFICE

They have no chief executive office, or principal place of business, or principal mailing address, other than that shown above and that Borrowers also keep their records concerning accounts, contract rights and other property, as well as all Collateral, at said location, unless otherwise specified in **Exhibit "J"** attached to this Agreement. Borrowers will immediately notify Lender in writing of any change in the location of any place of business or intention to change the location of any Collateral or the establishment of any new chief executive office, principal place of business, or location of inventory, or office where its aforesaid records are kept.

6.02 GOOD STANDING

Borrowers are duly organized and existing in good standing under the laws of each state where each of the Borrowers was chartered and are duly qualified to do business under the laws of each state where the nature of the business done or property owned requires such qualification.

6.03 CORPORATE AUTHORITY

Borrowers' delivery and performance hereof are within Borrower's corporate powers, have been duly authorized by vote of the Board of Directors, and are not in contravention of the terms of, and will not result in any event of default under Borrowers' Articles of Organization, by-laws, or other incorporation papers, or of any indenture, promissory note, agreement or undertaking to which any or all of the Borrowers are a party or by which they are bound or affected. All of Borrowers' issued and outstanding capital stock has been properly issued and all Borrowers' books and records, in particular their minute books, by-laws, and books of account, are accurate and up-to-date and will be so maintained.

6.04 PERFECTION

Borrowers agree that any failure of perfection or other bar to lawful enforcement of said security agreements, liens, pledges of assets of any kind or nature, wholly or in part, shall not constitute an impairment of said Collateral by the Lender and the undersigned specifically agrees that any such happening shall not cause, or give rise to, a waiver, or other defense by it, upon its obligations hereunder or upon all obligations incurred by it upon any guaranty, pledge, endorsement, or other agreement executed by it in connection with this financial transaction, which shall remain at all times due and owing, in their original tenor.

6.05 BORROWERS NOT IN DEFAULT

All leases, contracts, and other commitments to which any or all of the Borrowers are a party are in good standing, and Borrowers have complied with all material provisions of such leases, contracts and other commitments; Borrowers are not in default under any provision thereof; and no event has occurred which, but for the giving of notice or the passage of time, or both, could constitute a default thereunder.

6.06 LEGALLY ENFORCEABLE AGREEMENT

This Agreement is, and each of the other Loan Documents when delivered under this Agreement will be, legal, valid, and binding obligations of the Borrowers in accordance with their respective terms, except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, and other similar laws affecting creditors' rights generally.

6.07 FINANCIAL STATEMENTS

The balance sheet of the Borrowers and the related statements of income and retained earnings and cash flow of the Borrowers for the fiscal year then ended, and the accompanying footnotes, together with any interim financial statements of the Borrowers, copies of which have been furnished to the Lender, are complete and correct and fairly present the financial condition of the Borrowers as at such dates and the results of the operations of the Borrowers for

the periods covered by such statements, all in accordance with GAAP consistently applied (subject to year-end adjustments in the case of the interim financial statements), and there has been no material adverse change in the condition (financial or otherwise), business, or operations of the Borrowers since the presentation to the Lender of the most recently dated financial statements, nor are there any liabilities of the Borrowers, fixed or contingent, which are material but are not reflected in such financial statements or in the notes thereto, other than liabilities arising in the ordinary course of business. No information, exhibit or report furnished by the Borrowers to the Lender in connection with the negotiation of this Agreement contained any material misstatement of fact or omitted to state a material fact or any fact necessary to make the statement contained therein not materially misleading.

6.08 LABOR DISPUTES AND ACTS OF GOD

Neither the business nor the properties of any or all of the Borrowers are affected by any fire, explosion, accident, strike, lockout or other labor dispute, drought, storm, hail, earthquake, embargo, act of God or of the public enemy, or other casualty (whether or not covered by insurance), materially and adversely affecting such business or properties or the operation of the Borrowers.

6.09 OTHER AGREEMENTS

The Borrowers are not a party to any indenture, loan or credit agreement, or to any lease or other agreement or instrument, or subject to any charter or corporate restriction which could have a material adverse effect on the business, properties, assets, operations, or conditions, financial or otherwise, of the Borrowers, or the ability of the Borrowers to carry out their Obligations under the Loan Documents to which they are a party. The Borrowers are not in default in any material respect in the performance, observance, or fulfillment of any of the obligations, covenants, or conditions contained in any agreement or instrument material to their business to which they are a party.

6.10 LITIGATION

There is no pending or threatened action or proceeding against or affecting the Borrowers before any court, governmental agency, or arbitrator, which may, in any one case or in the aggregate, materially adversely affect the financial condition, operations, properties, or business of the Borrowers or the ability of the Borrowers to perform their Obligations under the Loan Documents to which they are a party.

6.11 NO JUDGMENTS

The Borrowers have satisfied all judgments, and the Borrowers are not in default with respect to any judgment, writ, injunction, decree, rule or regulation of any court, arbitrator, or Federal, state, municipal, or other governmental authority, commission, board, bureau, agency, or instrumentality, domestic or foreign.

6.12 ERISA

The Borrowers are to the best of their knowledge in compliance in all material respects with all applicable provisions of ERISA. Neither a Reportable Event nor a Prohibited Transaction has occurred and is continuing with respect to any Plan; no notice of intent to terminate a Plan has been filed, nor has any Plan been terminated; no circumstances exist which constitute grounds entitling the PBGC to institute proceedings to terminate, or appoint a trustee to administer, a Plan, nor has the PBGC instituted any such proceedings; none of the Borrowers nor any Commonly Controlled Entity has completely or partially withdrawn from a Multiemployer Plan; the Borrowers and each Commonly Controlled Entity have met their minimum funding requirements under ERISA with respect to all of their Plans and the present value of all vested benefits under each Plan does not exceed the fair market value of all Plan assets allocable to such benefits, as determined on the most recent valuation date of the Plan and in accordance with the provisions of ERISA; and none of the Borrowers nor any Commonly Controlled Entity has incurred any liability to the PBGC under ERISA.

6.13 OPERATION OF BUSINESS

The Borrowers possess all Licenses, permits (including Environmental Permits), franchises, patents, copyrights, trademarks, and trade names, or rights thereto, to conduct their respective businesses substantially as now conducted and as presently proposed to be conducted, and the Borrowers are not in violation of any valid rights of others with respect to any of the foregoing.

6.14 TAXES

The Borrowers have filed all tax returns (Federal, state, and local) required to be filed and have paid all taxes, assessments, and governmental charges and levies thereon to be due, including interest and penalties unless such taxes are being contested in good faith by appropriate action with adequate reserves established on Borrowers' financial statements.

6.15 DEBT

Set forth in the financial statements referred to in this Agreement, to the extent required by GAAP, is a complete and correct list of all credit agreements, indentures, purchase agreements, Guaranties, Capital Leases, and other Investments, agreements, and arrangements presently in effect providing for or relating to extensions of credit (including agreements and arrangements for the issuance of letters of credit or for acceptance financing) in respect of which the Borrowers are in any manner directly or contingently obligated; and the maximum principal or face amounts of the credit in question, which are outstanding and which can be outstanding, are correctly stated, and all Liens of any nature given or agreed to be given as security therefor are correctly described or indicated in such financial statements. **Exhibit "K"** correctly lists all secured and unsecured Debt of the Borrowers outstanding as of the date of this Agreement, and shows, as to each item of Debt listed thereon, the obligor and obligee, the aggregate principal amount outstanding on the date hereof.

6.16 ENVIRONMENT

The Borrowers have duly complied with, and their businesses, operations, assets, equipment, property, leaseholds, or other facilities are in compliance with, the provisions of all Environmental Laws. The Borrowers have been issued and will maintain all required Federal, state, and local permits, Licenses, certificates, and approvals relating to (1) air emissions; (2) discharges to surface water or groundwater; (3) noise emissions; (4) solid or liquid waste disposal; (5) the use, generation, storage, transportation, or disposal of toxic or hazardous substances or wastes (intended hereby and hereafter to include any and all such materials listed in any Federal, state, or local law, code or ordinance, and all rules and regulations promulgated thereunder as hazardous or potentially hazardous); or (6) other environmental, health, or safety matters. The Borrowers have not received notice of, nor knows of, or suspects, facts which might constitute any violations of any Environmental Laws with respect to their businesses, operations, assets, equipment, property, leaseholds, or other facilities. Except in accordance with a valid governmental permit, license, certificate, or approval, to the best of Borrowers' knowledge there has been no emission, spill, release, or discharge into or upon (1) the air; (2) soils, or any improvements located thereon; (3) surface water or groundwater; or (4) the sewer, septic system or waste treatment, storage or disposal system servicing the premises, of any toxic or hazardous substances or wastes at or from the premises; and accordingly the premises of the Borrowers are to the best of Borrowers' knowledge free of all such toxic or hazardous substances or wastes. There has been no complaint, order, directive, claim, citation, or notice by any governmental authority or any person or entity with respect to (1) air emissions; (2) spills releases or discharges to soils or improvements located thereon, surface water, groundwater or the sewer, septic system or waste treatment, storage or disposal systems servicing the premises; (3) noise emissions; (4) solid or liquid waste disposal; (5) the use, generation, storage, transportation, or disposal of toxic or hazardous substances or waste; or (6) other environmental, health, or safety matters affecting the Borrowers or their business, operations, assets, equipment, property, leaseholds, or other facilities. The Borrowers have no indebtedness, obligation, or liability, absolute or contingent, matured or not matured, with respect to the storage, treatment, cleanup, or disposal of any solid wastes, hazardous wastes, or other toxic or hazardous substances (including without limitation any such indebtedness, obligation, or liability with respect to any current regulation, law, or statute regarding such storage, treatment, cleanup, or disposal).

6.17 TITLE TO PROPERTY; LEASES

The Borrowers have good and marketable title to its respective properties and good title to the other properties and assets it purports to own, including those reflected in the most recent audited balance sheet provided to the Lender (other than properties and assets disposed of in the ordinary course of business). The Borrowers enjoy peaceful and undisturbed possession under all leases of all personal and all real property under which they operate, and all such leases are valid and subsisting and in full force and effect and the Borrowers are not in default in any material respect in the performance or observance of its obligations under any provisions thereof. **Exhibit "L"** includes a general description of all presently existing Long Term Leases and Capital Leases under which any of the Borrowers are a lessee.

6.18 REAL PROPERTY

Each Borrower represents to the Lender that the real property listed underneath such Borrowers' name on **Exhibit "M"**, hereto constitutes all of the real property which such Borrower owns or leases. Each Borrower agrees to notify the Lender of any other real property which such Borrower may hereafter acquire or lease.

6.19 THE SPRINGING MORTGAGE REQUIREMENT

The Borrowers shall at the time of entering into this Agreement, execute and deliver to the Lender commercial mortgages (the "Mortgages") in the form of **Exhibit "N "**, attached hereto and evidencing a grant with mortgage covenants of the real property described in **Exhibit "A "**. The Lender shall not record the Mortgages at the time of entering into this Agreement. The Lender shall record (which means file in the appropriate real estate recording offices for the location of the property (which appropriate offices under the Uniform Commercial Code with respect to fixtures and personalty)) the Mortgages only in the event that an Event of Default occurs under this Agreement. Furthermore, the Borrowers shall not mortgage, hypothecate, transfer or otherwise encumber the property or any portion thereof to any person.

6.20 ROLLING STOCK

Each Borrower represents to the Lender that the rolling stock (as defined in this Section 6.19 listed underneath such Borrowers' name on **Exhibit "H"** hereto constitutes all of the Rolling Stock which such Borrower owns or leases. Each Borrower agrees not to change any markings or serial numbers on any of the owned Rolling Stock listed on **Exhibit "H"**, until after such Borrower has given notice in writing to the Lender of its intention to make such change. Each Borrower agrees to notify the Lender of any other Rolling Stock which such Borrower may hereafter acquire or lease. Each Borrower agrees that it will execute and deliver to the Lender supplemental security agreements and other instruments required in the sole discretion of the Lender and file the same in the appropriate recording offices (i) with respect to the Rolling Stock listed underneath such Borrowers' name on **Exhibit "H"** hereto, (ii) at such times as any assignable right, title or interest is acquired in the future by such Borrower in any other Rolling Stock and (iii) 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 Borrowers' name on **Exhibit "H"** hereto or on any other Rolling Stock owned or leased by such Borrower. All such supplemental security agreements and other instruments shall secure all of the Obligations and shall be on terms and conditions satisfactory to the Lender 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. Each Borrower agrees to notify Lender of any other Rolling Stock which such Borrower may hereinafter acquire or lease if the aggregate annual rental payments exceed Fifty Thousand and 00/100 Dollars ($50,000.00) (for a lease) or One Hundred Thousand and 00/100 Dollars ($100,000.00) for a purchase.

6.21 RELATED AGREEMENTS

The Borrower has furnished to the Lender, true, complete and correct copies of the Memorandum of Understanding between Pinsly and U.S. Development Group, a partnership with a principal office at 9800 Fairmont Parkway, Pasadena, Texas, including Dean Truitt, Dan Borgen and Michael Curry, and all exhibits and agreements related thereto (collectively the "Related Agreements"). The Related Agreements and the other documents referenced therein constitute the complete understanding among the signatories thereto in respect to the Related Transactions and

the same have not been amended, supplemented or modified. Each of the Related Agreements will be duly executed and delivered by all parties thereto, and will be in full force and effect as of the date hereof, and no default exists thereunder; each of the Related Agreements constitutes the legal, valid and binding obligation of the parties thereto. All representations and warranties made in any of the Related Agreements by Borrower thereto are true and correct in all material respects on the date hereof as if made on and as of such date, and the Lender is entitled to rely on such representations and warranties with the same force and effect as are incorporated in this Agreement and made directly to the Lender. The Related Transactions have been duly consummated in accordance with the Related Agreements and in compliance with all applicable laws; provided, however, that all of the transactions which are contemplated to take place after the date hereof shall be consummated at the times provided in the Related Agreements. To Borrowers knowledge, as of the date of execution of this Agreement, all necessary approvals and notices will be obtained or given with respect to the Related Transactions (including, without limitation, approvals and notices to be obtained from or given to shareholders or governmental and/or judicial authorities). All conditions in the Related Agreements to the consummation of the Related Transactions will be satisfied in all material respects by the parties to the Related Agreements. After giving effect to the consummation of the Related Transactions and the extension of the financial accommodations contemplated by this Agreement and all other agreements executed and delivered or financial accommodations received by the Borrower in connection with the Related Transactions, each Borrower (a) will be able to pay its debts as they become due, (b) will have funds and capital sufficient to carry on its business as now conducted or as contemplated to be conducted, (c) owns property having a value both at fair valuation and at present fair salable value, greater than the amount required to pay its debts as they become due, and (d) is not insolvent and will not be rendered insolvent as determined by applicable law.

6.22 PATENTS, TRADEMARKS, COPYRIGHTS

Each Borrower represents to the Lender that as of the date hereof, except as set forth underneath such Borrowers' name on **Exhibit "O"** hereto, it has no right, title or interest in any patent, trademark registrations, copyright registrations or service mark registrations, or in any pending applications for the same and agrees promptly to furnish to the Lender written notice of each such patent, trademark, copyright or service mark registrations, or any applications for same, in which it may hereafter acquire any right, title or interest. Each Borrower shall, on request by the Lender, execute, acknowledge and deliver all such documents and instruments as the Lender may reasonably require to confirm the Lender's security interest in and to any such patent, trademark or service mark registrations, or application for the same as part of such Collateral hereunder and appoints the Lender as such Borrowers' attorney-in-fact to execute and file the same.

6.23 LOCATION OF CHIEF EXECUTIVE OFFICES; TAX IDENTIFICATION NUMBERS

Each of the Borrowers represent that the location of its chief executive office and the location where its books and records are kept is 53 Southampton Road, Westfield, Massachusetts 01085. Pinsly represents to the Lender that the federal tax identification number of Pinsly is 04-2507678. Florida Central represents to the Lender that the federal tax identification number of Florida Central is 58-1706789. Florida Midland represents to the Lender that the federal tax identification number of Florida Midland is 58-1758851. Florida Northern represents to the Lender that the federal tax identification number of Florida Northern is 04-3026852. Pioneer Valley represents to the Lender that the federal tax identification number of Pioneer Valley is 04-2761674. Arkansas Midland represents to the Lender that the federal tax identification number of Arkansas Midland is 71-0712261. RMA represents to the Lender that the federal tax identification number of RMA is 04-2869472. RAR represents to the Lender that the federal tax identification number of RAR is 71-0734205. RFL represents to the Lender that the federal tax identification number of RFL is 06-1358289. Each Borrower further represents that **Exhibit "P"**, hereto is a true and correct list of all localities where property comprising a part of the Collateral (other than interests in real property set forth in **Exhibit "N"** is located. Each Borrower agrees that it will not change its federal tax identification number or the location of its chief executive office or the location where its books and records are kept, except with prior written consent of Lender.

6.24 CREATION AND PERFECTION OF LIEN

The Borrowers represent and warrant to the Lender and covenant with the Lender that this Agreement creates

a valid security interest in the Collateral as security for the payment and performance of the Obligations. Upon (i) the filing and recording of this Agreement with the Surface Transportation Board f/k/a the Interstate Commerce Commission (the "STB") in accordance with Section 11303 of Title 49 of the United States Code and the rules and regulations thereunder and (ii) the filing of UCC-1 financing statements in the form attached hereto as **Exhibit "Q"** (the "Financing Statements") under the Uniform Commercial Code as the same may be in effect from time to time in the States of Arkansas and Florida and the Commonwealth of Massachusetts (the "UCC"), naming the appropriate Borrower as debtor and the Lender as secured party, all filings, assignments, pledges and deposits of documents or instruments will have been made and all other actions will have been taken that are necessary or advisable, under applicable law, to establish and perfect the Lender's security interest in the Collateral including, without limitation, such perfection under the UCC and the Interstate Commerce Act of 1887, as amended (the "ICA"), and such security interest shall remain prior to all other Liens, except as contemplated by the Loan Agreement. No further filings, recordings or other actions are or will be necessary to maintain the priority of such security interest other than the filing of UCC continuation statements within six months prior to the expiration of a period of five years after the original filing. The Collateral and the Lender's rights with respect to the Collateral are not subject to any setoff, claims, withholdings or other defenses. The Borrowers are the owners of the Collateral free from any adverse lien, security interest or encumbrance, except as permitted by the Loan Agreement as such agreement is in effect on the date hereof.

6.25 NO FURTHER ACTIONS

Except for the filings referred to in paragraph 6.23 above and as otherwise specified in the Loan Agreement, no authorization, approval or other action by, and no notice of filing with, any governmental authority or regulatory body or other Person that has not been received, taken or made is required (i) for the grant by the Borrowers of the security interest granted hereby or for the execution, delivery or performance of this Agreement by any Borrower, (ii) for the perfection and maintenance of the security interest hereunder (including the first priority nature of such security interest), or (iii) for the exercise by the Lender of the rights or the remedies in respect of the Collateral pursuant to this Agreement.

6.26 GOVERNMENT CONTRACTS

Each Borrower agrees that it shall execute all such documents, and take all such actions, as the Lender shall determine to be necessary or appropriate from time to time under the federal Assignment of Claims Act of 1940, as amended, in order to confirm and assure to the Lender its rights under this Agreement with respect to any and all Collateral consisting of such Borrower's rights to monies due or to become due under any contracts or agreements with or orders from the United States government or any agency or department thereof, the assignment of which is not prohibited by such contract or agreement (collectively, "Government Receivables"). Without limiting the generality of the foregoing, each Borrower agrees that simultaneously with the execution and delivery of this Agreement it shall execute and deliver to the Lender a confirmatory assignment substantially in the form of **Exhibit "R"** attached hereto (a "Confirmatory Assignment") with respect to each Government Receivable existing on the date hereof where the aggregate proceeds payable to the Borrowers thereunder exceed $100,000, and within ten Bank Business Days after the creation of any such new Government Receivable, such Borrower shall execute and deliver to the Lender a Confirmatory Assignment with respect thereto. Each Borrower hereby irrevocably authorizes the Lender or its designee, at such Borrower's expense, to file with the United States government (or the appropriate agency or instrumentality thereof) a notice of each assignment of a Government Receivable substantially in the form of **Exhibit "S"** attached hereto (a "Notice of Assignment"), to which a copy of the relevant Confirmatory Assignment may be attached, and appoints the Lender as such Borrower's attorney-in-fact to execute and file any such Confirmatory Assignments, Notices of Assignment and any ancillary documents relating thereto.

6.27 SECURITIES

Each Borrower agrees that it shall forthwith deliver and pledge to the Lender hereunder all certificates representing securities which it shall acquire, whether by purchase, stock dividend, distribution of capital or otherwise, along with stock powers or other appropriate instruments of assignment with respect thereto, duly executed in blank, with Medallion signature guarantee. All such Securities shall be secured by the Stock Pledge Agreement of even date herewith.

6.28 YEAR 2000 ISSUE

Borrowers have reviewed their business and operations to determine whether their business or operations could be affected by any risk that certain computer hardware, software or other equipment used by any such entity may be unable to recognize, interpret or process data or perform date sensitive functions by reason of the advent of the year 2000 ("Year 2000 Issue"). The Year 2000 Issue is not reasonably likely to have any material adverse effect upon the business or operations of any of the Borrowers.

7.00 FURTHER AGREEMENTS OF BORROWERS

7.01 INSURANCE

Borrowers agree at all times to keep all of its property, insured by financially sound and reputable insurers satisfactory to the Lender, against loss or damage by fire, water, theft, explosion or other hazards insured against by extended coverage in amounts as are customary for corporations of established reputation engaged in the same or similar business as Borrowers and owning and operating similar assets and properties and as approved in the sole discretion of the Lender. With respect to the Collateral, Lender shall be listed as additional insured, with loss payable to it, and after the occurrence of an Event of Default, hereby irrevocably appointing Lender as attorney for Borrowers in obtaining, adjusting, settling and canceling such insurance and endorsing any payments or other drafts, with respect to the Collateral only. All insurance policies with respect to the Collateral shall be non-cancelable with not less than twenty (20) days written notice to Lender. Original certificates of insurance shall be tendered directly to the Lender upon issuance by insurer, at such times as Lender requests.

7.02 INSPECTION

Lender shall have the right, and Borrowers shall permit and shall cooperate with Lender in arranging for, at any reasonable time and from time to time, Lender and its representatives (i) to inspect the Collateral which shall include, but not be limited to, environmental surveys, tests, soil and/or ground water analysis, appraisals of real estate owned and/or occupied by any or all of the Borrowers, and (ii) to review and audit all books, records and financial statements (including all supporting data and any other records from which the Net Cash Flow may be determined) of Borrowers and any Affiliate of Borrowers which Lender has reasonable cause to believe: (x) has received any distributions of Net Cash Flow, (y) has entered into any inter-company loans or investments with Borrowers, or (z) has entered into any transaction with Borrowers which is prohibited under this Agreement. Borrowers shall make or cause its applicable Affiliates to make all such books of account and records available for such examination at the office where the same are regularly maintained. Lender shall have the right to copy, duplicate and make abstracts from such books and records as Lender may require. Borrowers shall pay Lender's costs and expenses incurred in connection with such audit and all prospective audits from and after the occurrence of an Event of Default. Borrowers acknowledge and agree that (A) all of such audits, inspections and reports shall be made for the sole benefit of Lender, and not for the benefit of Borrowers or any third party, and neither Lender nor Lender's auditors or inspectors or any of Lender's representatives, agents or contractors assumes any responsibility or liability (except to Lender) by reason of such audits, inspections or reports, (B) Borrowers will not rely upon any of such audits, inspections or reports for any purpose whatsoever, and (C) the performance of such audits, inspections or reports will not constitute a waiver of any of the provisions of this Agreement or any other Loan Document or any of the obligations of Borrowers hereunder or thereunder.

7.03 NO SALE OF COLLATERAL

Excluding sales of inventory in the ordinary course of business and sales of obsolete equipment, Borrowers, during the tenure of this Agreement, will not sell, assign, or dispose of any Collateral to any other party, nor create or permit to be created any lien, encumbrance or security interest of any kind on any Collateral other than for the benefit of Lender, and if any such lien or encumbrance is created or permitted, Borrowers will effect a discharge of same within ten (10) days thereafter. Notwithstanding the foregoing, provided that no Event of Default has occurred, Borrowers shall be permitted to sell assets provided that the ratio of book value of Collateral to the aggregate of all outstanding Debt to Lender shall be at least 1.25x after giving effect to the sale. Lender agrees to provide a release for specific items of

Collateral within ten (10) days of Borrower's request therefor, provided that the Borrowers are in strict compliance with this Agreement.

7.04 GOOD STANDING

Borrowers will remain in good standing and comply with all laws and regulations of the United States or of any state or states thereof or of any political subdivision thereof, or of any governmental authority which may be applicable to it or to its business.

7.05 NO MERGER OR ACQUISITION

Borrowers will not merge or consolidate or be merged or consolidated with or into any other corporation, nor acquire substantially all of the assets and/or stock of another corporation or other business entity, if an Event of Default has occurred (or will occur as a result thereof) (including without limitation a financial covenant and Default for which no right of cure exists under this section) unless one or all of the Borrowers is the surviving entity.

7.06 NO SUBSTITUTION

This Agreement may but need not be supplemented by separate assignments and pledges and, if such assignments and pledges are given, the rights and security interests given thereby shall be in addition to and not in limitation of the rights and security interests given by this Agreement. This Agreement shall not act to terminate, cancel, revoke, nor otherwise cause a novation, estoppel, or waiver of any or all prior security interests granted by Borrowers to Lender in and to any collateral contemplated by these presents, or other, wholly or in part, and without exception; and any and all such security interests shall continue to remain properly perfected by Borrowers to Lender in their terms and without interruption.

7.07 PROTECTION OF COLLATERAL

Borrowers will maintain all Collateral in a condition which is comparable to that which exists on the date hereof, and make any necessary repairs thereto, or replacements thereof; ordinary wear and tear and obsolescence excepted.

Borrowers will at the request of Lender, promptly furnish Lender the receipted bills for all payments required by this Agreement. At its option, but without liability so to do, Lender may discharge taxes, assessments, 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. Borrowers agree to reimburse Lender on demand for any payments made by Borrowers, or any expenses including attorneys' fees incurred by Lender pursuant to the foregoing authorization, and upon failure of Borrowers so to reimburse Lender, any such sums paid or advanced by Lender shall be deemed secured by the Collateral and constitute part of the Loans.

7.08 COMPLIANCE WITH ERISA

The Borrowers will not:

A. engage in any prohibited transaction (within the meaning of Section 406 of ERISA or Section 4975 of the Code), or commit any other breach of its fiduciary responsibility under Part 4 of Title I of ERISA, which could subject the Borrowers or any Borrowers Group Member to any material liability under Section 406, 409, 502(i) or 502(d) of ERISA or Section 4975 of the Code, or under any agreement or other instrument pursuant to which the Borrowers or such Borrowers Group Member could be required to indemnify any Person against any such liability or which could otherwise have a Material Adverse Effect on the Borrowers or any Plan; or

B. fail to make any contribution required to be made by it to any Plan or Multiemployer Plan or permit to exist with respect to any Plan any "accumulated funding deficiency" (as such term is defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; or

C. (i) commence proceedings to terminate any Plan, other than in a "standard termination" within the meaning of Section 4041 of ERISA, or (ii) permit to exist any proceedings instituted by the PBGC to terminate or to have a trustee appointed to administer any Plan, or (iii) withdraw from any Multiemployer Plan in a manner which could result in the imposition of a withdrawal liability under Part 1 of Subtitle E of Title IV of ERISA.

7.09 FINANCIAL STATEMENTS

The Borrowers and Guarantors will deliver, at its sole expense, to the Lender, the following:

A. Within one hundred twenty (120) days after the close of each fiscal year, the Borrowers will provide Lender with their consolidated financial statements, including all Guarantors audited by certified public accountants servicing the Borrowers and/or Guarantors, and satisfactory to the Lender, along with the accountant's management letter, and unqualified opinion and management prepared consolidating balance sheets and income statements.

B. Within forty-five (45) days after the close of each of the first three fiscal quarters, the Borrowers and Guarantors will provide Lender with internally prepared financial statements, including, without limitation, consolidated and consolidating income statement and balance sheet, consolidated statement of cash flow prepared according to GAAP consistently applied, subject to year-end adjustments.

C. Within one hundred twenty (120) days after fiscal year end, the Borrowers and Guarantors shall provide Lender with annual consolidated and consolidating budgets (income statements) for the Borrowers and each Guarantor for each fiscal year.

D. The Borrowers will deliver to the Lender semi-annually (within forty-five (45) days after the first six (6) months of fiscal year and one hundred twenty (120) days after fiscal year end), a certificate by the financial officer of the Borrowers and Guarantors with respect to covenant compliance, which shall include, but not be limited to a worksheet, and which states that to the best of his or her knowledge, no default exists under this Loan and Security Agreement, or under any indenture pursuant to which any other indebtedness of the Borrowers are outstanding and that all the terms of the Loan and Security Agreement and other agreements by Borrowers to the Lender have been fully performed, or if to his or her knowledge, any of the terms thereof have not been fully performed, such certificate shall specify the nature of the default and the steps taken by the Borrowers to correct such default, unless waived by the Lender, in writing.

E. The Lender will also require such further financial information from Borrowers and Guarantors, at Borrowers' and Guarantors' expense, from time-to-time as the Lender deems appropriate in its reasonable discretion.

7.10 FINANCING STATEMENTS

Prior to any loan being made from Lender to Borrowers, the Borrowers hereby agree to execute, deliver, and pay the cost of filing any financing statement, or other notices appropriate under applicable law, in respect of any security interest created pursuant to this Agreement or at any other time which may at any time be required or which, in the opinion of the Lender, may at any time be desirable. In the event that any re-recording or re-filing thereof (or the filing of any statements of continuation or assignment of any financing statement) is required to protect and preserve such lien or security interest, the Borrowers shall, at its cost and expense, cause the same to be re-recorded and/or re-filed at the time and in the manner requested by the Lender. The Borrowers hereby irrevocably designate the Lender, its agents, representatives and designees as agents and attorneys-in-fact for the Borrowers to sign such financing statements, or other instruments in connection herewith, on behalf of the Borrowers and file the same, as required.

7.11 TAXES AND IMPOSITIONS

(A) Borrowers shall (i) pay and discharge all Impositions prior to delinquency, and (ii) provide Lender validated receipts or such other evidence satisfactory to Lender showing the payment of such Impositions within thirty (30) days after the same would have otherwise become delinquent. Borrowers' obligation to pay the Impositions pursuant to this Agreement shall include, to the extent permitted by applicable law, taxes resulting from future changes in law which impose upon Lender an obligation to pay any property taxes or other Impositions. Should Borrowers default any payment of any Impositions, Lender may (but shall not be obligated to) pay such Impositions or any portion thereof and Borrowers shall reimburse Lender on demand for all such advances.

(B) Borrowers shall not be required to pay, discharge or remove any Imposition so long as Borrowers contest in good faith such Impositions or the validity, applicability or amount thereof by an appropriate legal proceeding which operates to prevent the collection of such amounts; provided, however, that prior to the date on which such Imposition would otherwise have become delinquent, Borrowers shall have (i) given Lender prior written notice of such contest and (ii) deposited with Lender, and shall deposit such additional amounts as are necessary to keep on deposit at all times, in an amount equal to at least one hundred ten percent (110%) of the total of (A) the balance of such Imposition then remaining unpaid, and (B) all interest, penalties, costs and charges accrued or accumulated thereon. Any such contest shall be prosecuted with due diligence, and Borrowers shall promptly pay the amount of such Imposition as finally determined, together with all interest and penalties payable in connection therewith. Lender shall have full power and authority to apply any amount deposited with Lender pursuant to this clause to the payment of any unpaid Imposition to prevent the sale or forfeiture of the Collateral, Mortgaged Premises or any portion thereof for non-payment thereof. Lender shall have no liability, however, for failure to so apply any amount deposited. Any surplus retained by Lender after payment of the Imposition for which a deposit was made, shall be repaid to Borrowers unless an Event of Default shall have occurred, in which case said surplus may be retained by Lender to be applied to the Obligations in the sole discretion of the Lender. Notwithstanding any provisions of this clause to the contrary, Borrowers shall pay any Imposition which it might otherwise be entitled to contest if, in the sole and absolute discretion of Lender, the Mortgaged Premises, or any portion thereof or any Collateral, is in jeopardy or in danger of being forfeited or foreclosed. If Borrowers refuse to pay any such Imposition, Lender may (but shall not be obligated to) make such payment and Borrowers shall reimburse Lender on demand for all such advances.

7.12 MAINTENANCE OF RECORDS

The Borrowers shall keep adequate records and books of account, in which complete entries will be made in accordance with GAAP consistently applied, reflecting all financial transactions of the Borrowers.

7.13 MAINTENANCE OF PROPERTIES

The Borrowers shall maintain, preserve and keep, its properties which are used or useful in the conduct of its business (whether owned in fee or a leasehold interest) in good repair and working order and from time-to-time will make all necessary repairs, replacements, renewals and additions so that at all times the efficiency thereof shall be maintained. Borrowers agree that they will maintain and repair the Collateral and the Mortgaged Premises and keep all of the same in good and serviceable condition and in at least as good condition and repair as same were on the date hereof or in such better condition and repair as same may have been put thereafter. Borrowers will not waste or destroy or suffer the waste or destruction of the Collateral or the Mortgaged Premises or any part thereof. Borrowers will not use any of the Collateral or the Mortgaged Premises in violation of any insurance thereon. In the event of damage to or destruction of all or any part of the Collateral or the Mortgaged Premises from any cause, the Borrowers shall repair, replace, restore and reconstruct the Collateral and the Mortgaged Premises to the extent necessary to restore each portion of same to its condition immediately prior to such damage or destruction and this obligation shall not be limited by the amount of any insurance proceeds available.

7.14 CONDUCT OF BUSINESS

Except as otherwise permitted herein, the Borrowers shall continue to engage in an efficient and economical manner, in a business of the same general type as conducted by it on the date of this Agreement; and Borrowers will not,

without the prior written consent of the Lender, directly or indirectly enter into any other lines of business, businesses or ventures.

7.15 COMPLIANCE WITH LAWS

The Borrowers will promptly comply with all laws, ordinances or governmental rules and regulations to which it is subject, including without limitation, the Occupational Safety and Heath Act of 1970, ERISA, the Americans with Disabilities Act and all Environmental Laws in all applicable jurisdictions, the violation of which would materially and adversely affect the properties, business, prospects, profits or condition of the Borrowers or would result in any lien or charge upon any property of the Borrowers.

7.16 ENVIRONMENT

The Borrowers shall notify the Lender immediately of any notice of a hazardous discharge or environmental complaint received from any governmental agency or any other party; notify the Lender immediately of any hazardous discharge from or affecting its premises; immediately contain and remove the same, in compliance with all applicable laws; promptly pay any fine or penalty assessed in connection therewith, except such assessments as are being contested in good faith, against which adequate reserves have been established; upon receipt of such notification, permit the Lender to inspect the premises, and to inspect all books, correspondence, and records pertaining thereto; and at the Lender's request, and at the Borrowers' expense, provide a report of a qualified environmental engineer, satisfactory in scope, form, and content to the Lender, arid such other and further assurances reasonably satisfactory to the Lender that the condition has been corrected.

7.17 PAYMENT OF LOANS

The Borrowers will duly and punctually pay the Principal of, and interest on the Loans in accordance with the terms of the Loans and this Agreement.

7.18 PRINCIPAL DEPOSITORY

The Borrowers further agree that it shall conduct its principal banking business with the Lender, including, without limitation, retaining the Lender as its principal depository savings accounts, checking accounts, general demand depository accounts, and such other accounts as are utilized by the Borrowers from time-to-time. Furthermore, the Borrowers agree that the Lender shall have the right to debit any and all accounts for the purpose of making payments on the Revolving Line of Credit.

7.19 CHANGE IN MANAGEMENT, OWNERSHIP AND CONTROL

The Borrowers represent and warrant that there shall be no change in its present management, ownership and control until all Obligations are fully paid and while any availability remains under the Revolving Line; provided, however, the Shareholders of Pinsly may transfer stock in Pinsly to immediately family members or in Trust for the benefit of immediate family members solely for estate planning purposes.

7.20 NO GUARANTEES

Borrowers will not assume, guaranty, endorse or otherwise become directly or contingently liable, or permit any of its subsidiaries to assume, guaranty, endorse, or otherwise become directly or contingently liable (including, without limitation, liable by way of agreement, contingent or otherwise, to purchase, to provide funds for payment, to supply funds to or otherwise invest in any debtor or otherwise to assure any creditor against loss) in connection with any Debt of any other Person, except (i) guaranties by endorsement or similar transaction in the ordinary course of business, (ii) liability of the Borrowers to the Lender under this Agreement, and (iii) construction loan guaranties in an aggregate amount not to exceed Five Hundred Thousand and 00/100 Dollars ($500,000.00) and which relate only to the Bayport Transaction, and which guaranties shall expire not later than one (1) year from the date of this Agreement.

7.21 CORPORATE LOANS

Except as to the Bayport Investment, the Borrowers agree that it shall neither make any loans nor investments in other corporations and business entities or to any other Persons until all Obligations are fully paid and while any availability remains under the Revolving Line.

7.22 ADVERSE TRANSACTIONS

The Borrowers shall not enter into any transaction which materially and adversely affects the Collateral or their ability to repay the Obligations in full as and when due.

7.23 INDEBTEDNESS

The Borrowers shall not, until all Obligations have been fully paid and while any availability remains under the Revolving Line of Credit, create, assume, agree to purchase or provide funds with respect to Debt to any Person or any rental obligation except:

A. Debt under this Agreement;

B. Existing Debt as of the date of this Agreement;

C. Debt in connection with stock redemptions previously approved in writing by Lender, provided no default and all loans are fully subordinated to the Lender and as determined by the Lender;

D. Provided no Event of Default has occurred or will occur, Borrowers shall be able to incur local rail service loans;

E. Debt to Lender with respect to Interest Rate Protection Agreements.

F. Guaranties pursuant to Section 7.20 hereof.

G. State or federal, low-interest, long-term rail freight assistance, ISTEA, or TEA-21 type loans pursuant to the Transportion Efficiency Act of 1988.

7.24 NAME

The Borrowers shall not use any corporate or factitious name other than their corporate names as set forth in their Articles of Organization or Certificate of Incorporation (as the case may be) on the date hereof, or any trade name or fictitious name certified or registered in favor of Borrowers, all of which names shall be set forth on page 1 of this Agreement.

7.25 PREPAYMENT

The Borrowers shall not prepay any Debt other than the Obligations, except in the ordinary course of business and to the extent that it does not have a material adverse effect on the financial condition of the Borrowers and no Event of Default has occurred.

7.26 AFFILIATE TRANSACTIONS

Except for the Bayport Transaction, including without limitation, the Bayport Note, and as otherwise provided for in Section 7.33, the Borrowers shall not, sell, transfer, distribute or pay any money or property to any Affiliate or invest in (by capital contribution or otherwise) or purchase or repurchase any stock or debt, or any property, of any Affiliate, or become liable on any guaranty of the indebtedness, dividends or other obligation of any Affiliate; provided, however, the Bayport Transaction shall not be consummated until the Lender has received (i) all of the Related Agreements, (ii) the Definitive Agreements as defined in the Memorandum of Understanding, (iii) all consents and

approvals required and/or necessary in the Related Agreements and Memorandum of Understanding, (iv) the Bayport Collateral and such other documents as the Lender reasonably requires.

7.27 MORTGAGE TAXES

Borrowers shall pay any and all taxes, charges, filing, registration and recording fees, excises and levies imposed upon Lender by reason of their respective interests in, or measured by amounts payable under, the Note, this Agreement, the Mortgages or any other Loan Document (other than income, franchise and doing business taxes), and shall pay all stamp taxes and other taxes required to be paid on the Note, this Agreement, the Mortgage or the other Loan Documents. If Borrowers fails to make such payment within five days after notice thereof from Lender, Lender may (but shall not be obligated to) pay the amount due, and Borrowers shall reimburse Lender on demand for all such Advances. If applicable law prohibits Borrowers from paying such taxes, charges, filing, registration and recording fees, excises, levies, stamp taxes or other taxes, then Lender may declare the Indebtedness then unpaid to be immediately due and payable. In such event, no Prepayment Fee (as defined in the Note) shall be charged.

7.28 NO LIENS

Except for Permitted Encumbrances, the Mortgaged Premises and Collateral shall be kept free and clear of all liens, security interests and encumbrances of every nature or description (whether for taxes or assessments, or charges for labor, materials, supplies or services or any other thing). Other than the Permitted Encumbrances, Borrowers will not cause or permit any instrument or document affecting the Mortgaged Premises and Collateral to be recorded without Lender's prior written consent thereto.

7.29 LENDER'S EXPENSES

Borrowers shall pay, on demand by Lender, all reasonable expenses, charges, costs and fees in connection with the negotiation, documentation and closing of the Loan, including all registration and recording fees, insurance consultant fees, if any, environmental consultant fees, costs of appraisals, costs of engineering reports, fees and disbursements of all counsel (both local and special) of Lender, escrow fees, cost of surveys, fees and expenses of Lender's Consultant or others employed by Lender to inspect the Collateral from time-to-time, and reasonable out-of-pocket travel expenses incurred by Lender and Lender's agents and employees in connection with the Loan. At Closing, Lender may pay directly from the proceeds of the Loan each of the forgoing expenses which shall not exceed $5,000.00.

7.30 (RESERVED)

7.31 REPRESENTATIONS REMADE

Borrowers warrant and covenant that the foregoing representations and warranties will be true and shall be deemed remade as of the date of the Closing and as of the date of each other Advance. All representations and warranties made herein or in any other Loan Documents or in any certificate or other document delivered to Lender by or on behalf of Borrowers pursuant to or in connection with this Agreement or any other Loan Document shall be deemed to have been relied upon by Lender, notwithstanding any investigation heretofore or hereafter made by, or on behalf of Lender. All such representations and warranties shall survive the making of the Loan and any or all of the Advances contemplated hereby and shall continue in full force and effect until such time as the Loan has been paid in full.

7.32 NON PLEDGE

Borrowers will not create, assume or suffer to exist or permit any of its subsidiaries to create, incur, assume or suffer to exist any mortgage, deed of trust, pledge, lien, security interest, or other charge or encumbrance (including the lien or retained security title of a conditional vendor) of any nature (collectively "Liens") upon or with respect to any of its property or assets now owned or hereinafter acquired, including without limitation, the Collateral, motor vehicles, and any real property owned by any of the Borrowers, except that the foregoing restrictions shall not apply to: (i) Liens for taxes, assessments or governmental charges or levies on property of Borrowers or any of its subsidiaries if the same shall not at the time be delinquent or thereafter can be paid without interest or penalty; (ii) carriers, warehouseman's and

mechanic's liens and other similar Liens, arising in the ordinary course of business for sums not yet due or which are being contested in good faith and by appropriate proceedings which serve as a matter of law to stay the enforcement thereof and as to which adequate reserves had been made; (iii) pledges or deposits under workman's compensation laws, unemployment insurance, social security, retirement benefits or similar legislation; (iv) Liens in favor of the Lender, and (v) Liens securing the purchase price of personal property to the extent of Five Hundred Thousand and 00/100 Dollars ($500,000.00) in the aggregate, annually, provided that each such lien is given solely to secure the purchase price of such personal property, does not extend any other personal property and is given at the time of the acquisition of such personal property.

7.33 DIVIDENDS, DISTRIBUTIONS, REDEMPTIONS ETC.

Borrowers will not declare or pay any dividends; or purchase, redeem (except as provided by law), or otherwise acquire for value any of their capital stock now or hereafter outstanding; or make any distribution of assets to their stockholders as such whether in cash, assets or in obligations of the Borrower; or allocate or otherwise set apart any sum for the payment of any dividend or distribution on, or for the purchase, redemption, or retirement of any shares of their capital stock; or make any other distribution by reduction of capital or otherwise in respect of any shares of their capital stock; or permit any of the subsidiaries of Pinsly to purchase or otherwise or otherwise acquire for value any stock of Pinsly or any other subsidiary (the foregoing shall collectively be hereinafter referred to as the "Distributions"), except that Pinsly shall be permitted to consummate stockholder redemptions and declare dividends where no Event of Default has occurred or will occur and the amount exchanged for the redeemed stock shall not exceed the greater of (i) fifty percent of annual Net Income or (ii) fifty percent of Tangible Net Worth, less Minimum Tangible Net Worth.

8.00 FINANCIAL COVENANTS

The Borrowers further agree that from the date of this Agreement until all Obligations are fully paid and while any availability remains under the Revolving Line, that it will maintain the following financial ratios tested for the periods set forth below, the default of which shall constitute a default of this Agreement; provided, however, that so long as no other Event of Default has occurred, the failure to meet any financial covenants shall not constitute an Event of Default if the covenant default is cured as of the end of next succeeding fiscal quarter.

A. Cash Flow Coverage. The Borrowers shall maintain Cash Flow Coverage of not less than 1.10x. This covenant is to be tested semi-annually for the preceding twelve (12) month period on a consolidated basis. As used in this Section "Cash Flow Coverage" shall mean, the ratio of the total of (i) net income for such twelve (12) month period, plus (ii) depreciation and amortization expenses for such period, plus (iii) interest expense (including imputed interest on capital lease obligations) (collectively, "Interest Expense"), plus (iv) provision for income taxes to the extent they were deducted in determining net income, minus (v) cash taxes, minus (vi) all capital expenditures/acquisitions (net of long term reimbursements from third parties) in excess of Eight Hundred Thousand and 00/100 Dollars ($800,000.00) for such twelve (12) month period, minus (vii) cash dividends and cash redemptions to the total of (viii) Interest Expense for such period plus (ix) required principal payments and current maturities of long-term Indebtedness for such period.

B. Minimum tangible net worth, tested at fiscal year end on a consolidated basis, not less than Six Million Five Hundred Thousand and 00/100 Dollars ($6,500,000.00) as of December 31, 1997 and increasing by twenty five percent (25%) of Borrowers' net income each year thereafter.

C. Minimum Operating Income to be tested semi-annually for the preceding twelve (12) month period on a consolidated basis of not less than One and 00/100 Dollar ($1.00).

D. Maximum Total Debt to EBITDA not to exceed 4x, tested at the end of each fiscal year on a consolidated basis, defined as the sum of all indebtedness of the Borrowers relating to the borrowing of money, including subordinated debt on terms not satisfactory to the Lender, plus capital leases, plus guaranties and other contingent liabilities divided by the sum of net income, plus provision for income taxes to the extent they were deducted in determining net income, plus total interest expense (not

including Interest Expense on subordinated debt which is not included in total debt), plus depreciation, plus amortization.

9.00 BORROWERS' RIGHTS IN COLLATERAL UNTIL DEFAULT

In the absence of any default in the Obligations and any default hereunder, Borrowers shall have the right, in the regular course of business, to possess and manage the Collateral, and in the ordinary course of business; provided, however, said right shall not include the right to transfer Collateral in total or partial satisfaction of any Debt.

10.00 DEFAULT

Borrowers shall be in default under this Agreement upon the happening of any of the following events or conditions (which shall individually and/or collectively be referenced as an "Event of Default" upon the passage of the time of any applicable cure period) without demand or notice.

10.01 Failure to observe or perform any of its agreements, warranties or representations in this Agreement, or in any agreement with Lender, or other party or organization for borrowed money or purchase money.

10.02 Material loss or theft, substantial damage or destruction, unauthorized sale to or encumbrance of any material amount of the Collateral in excess of reasonably expected recoveries under insurance policies, or the making of any levy, seizure or attachment thereof or thereon;

10.03 Failure of Borrowers to pay within ten (10) days when due any amount payable by it to the Lender under any of its Obligations to the Lender when and as the same shall become due, whether upon demand, at maturity, by acceleration, or otherwise.

10.04 Insolvency as defined in this agreement, or the recording or existence of any lien for unpaid taxes.

10.05 Default in any agreement or undertaking to which the Borrowers are a party or by which Borrowers are bound or affected; whether in connection with this financial transaction or other.

10.06 Breach or violation of any covenant, term, failure of payment or performance, of any promissory note, loan agreement, or other agreement, including the within the Loan and Security Agreement executed by the Borrowers in connection with any Obligations as defined herein, or in any way related to the financial transaction reflected herein.

10.07 The making by the Borrowers of any misrepresentation to the Lender for the purpose of obtaining credit or an extension of credit.

10.08 Borrowers' failure to meet any financial covenant contained in Section 8.00.

Notwithstanding the foregoing, the Borrowers shall have a thirty (30) day cure period for non-monetary Events of Default; provided, however, with respect to defaults which occur as a result of the failure of Borrowers to meet financial covenants, the Borrowers shall have until the next succeeding quarter to cure the same.

11.00 LENDER'S RIGHTS

Upon default and at any thereafter (subject to any grace and/or cure periods contained herein), Lender may:

11.01 Notify account debtors at Borrowers' expense, that the Collateral has been assigned to Lender and that payments shall be made directly to Lender and upon request of Lender, Borrowers will so notify such account debtor that their accounts must be paid to Lender. This right may be exercised by the Lender at any time, even prior to default. Borrowers will immediately upon receipt of all checks, drafts, cash and other remittances deliver the same in

kind to the Lender. Lender shall have full power to collect, compromise, endorse, sell or otherwise deal with the Collateral or proceeds thereof in its own name or in the name of Borrowers and Borrowers hereby, for consideration paid, irrevocably appoints the Lender its attorney-in-fact for this purpose.

11.02 Without notice to Borrowers, enter and take possession of all equipment, inventory, and other Collateral and the premises on which they are now or hereafter located, including without limitation, breaking the close and changing and replacing locks as may be required without the same being considered as a trespass, as Borrowers hereby expressly provide authority for the same. The Lender, at its sole discretion, may operate and use Borrowers' equipment, complete work in process and sell inventory without being liable to the Borrowers on account of any losses, damage or depreciation that may occur as a result thereof so long as Lender shall act reasonably and in good faith and may lease or license the Collateral to third persons or entities for such purposes; and in any event, Lender may at its option and without notice to Borrowers, except as specifically herein provided, sell, lease, assign and deliver, the whole or any part of the Collateral, or any substitute therefor, or any addition thereto, at public or private sale, for cash, upon credit, or for future delivery, at such prices and upon such terms as Lender deems advisable, including without limitation the right to sell or lease in conjunction with other property, real or personal, and allocate the sale proceeds or leases among the items of property sold without the necessity of the Collateral being present at any such sale, or in view of prospective purchasers thereof. Lender shall give Borrowers timely notice by hand delivery to Borrowers or by United States mail, postage prepaid (in which event notice shall be deemed to have been given when so deposited in the mail), at the address specified herein, of the time and place of any public or private sale or other disposition unless the Collateral is perishable, threatens to decline speedily in value, or is the type customarily sold in a recognized market. Upon such sale, Lender may become the purchaser of the whole or any part of the Collateral sold, discharged from all claims and free from any right of redemption. In case of any such sale by Lender of all or any of said Collateral on credit, or for future delivery, such property so sold may be retained by Lender until the selling price is paid by the purchaser. The Lender shall incur no liability in case of the failure of the purchaser to take up and pay for the Collateral so sold. In case of any such failure, the said Collateral may be again, from time-to-time, sold.

11.03 Continue to occupy and use all premises which the Borrowers now occupy, or may hereafter have or occupy, to the extent Borrowers could legally do so, and may use all trademarks, service marks, trade names, trade styles, logos, goodwill, trade secrets, franchises, licenses and patents which the Borrowers now have or may hereafter acquire, including the following rights:

(i) the rights in said marks, name, styles, logos and goodwill acquired by the common law of the United States or of any state thereof or under the law of any foreign nation, organization, or subdivision thereof;

(ii) the rights acquired by registrations of said marks, names, styles, and logos under the statute of any foreign country, or the United States, or any state or subdivision thereof;

(iii) the rights acquired in each and every form of said mark, name, style and logo as used by the Borrowers notwithstanding that less than all of such forms would be registered and notwithstanding the form of said mark, name and style;

(iv) the right to use or license any party to the use of all or any of said marks, names, styles, logos and goodwill in connection with the sale of goods and/or the rendering of services in the conduct of services advertising, promotion and the like anywhere in the world;

(v) the right to use said marks, names, styles, logos and goodwill either in connection with or entirely independent from the Collateral;

(vi) the right to assign, transfer and convey a partial interest or the entire interest in any one or more of said marks, names, styles or logos;

(vii) the right to seek registration, foreign or domestic, of any of said marks, names, styles or logos which was not registered as of the date hereof or registered subsequently;

(viii) the right to prosecute pending trademark applications for foreign or domestic registration (federal or state) of any of said marks, names, styles or logos.

11.04 Act as attorney-in-fact for Borrowers for the purposes herein described, and Borrowers do hereby make, constitute and appoint any officer or agent of Lender as Borrowers' true and lawful attorney-in-fact, with full power: to endorse the name of Borrowers or any of Borrowers' officers or agents upon any assignments, notes, checks, drafts, money orders, or other instruments of payment or Collateral that may come into possession of Lender for purposes of such recovery of accounts receivable monies; to sign and endorse the name of Borrowers or any of Borrowers' officers or agents upon any negotiable instrument, invoice, freight or express bill, bill of lading, storage or warehouse receipts, drafts, assignments, verifications and notices in connection with accounts, and any instruments or documents relating thereto or to Borrowers' rights therein; to give notice to the United States Post Office to effect changes of address so that mail addressed to the Borrowers may be permanently delivered directly to the Lender for purposes of accepting same, and obtaining access to contents, in order to take possession of such accounts receivable monies, and all other collateral, with full power to do any and all things necessary to be done in and about the premises as fully and effectually as Borrowers might or could do; and Borrowers do hereby ratify all that Lender shall lawfully do, or cause to be done by virtue hereof.

11.05 Make all Obligations immediately due and payable, without presentment, demand, protest, hearing or notice of any kind and exercise the remedies of a Lender afforded by the Uniform Commercial Code and other applicable law or by the terms of any agreement between Borrowers and Lender.

11.06 In the case of any sale or disposition of the Collateral, or the realization of funds therefrom, the proceeds thereof shall first be applied to the payment of the expenses of re-taking, maintaining, and foreclosure of Collateral, and costs, fees and expenses of such sale, commissions, reasonable attorney's fees and all charges paid or incurred by Lender pertaining to said sale, including any taxes or other charges imposed by law upon the Collateral and/or the owning, holding or transferring thereof; secondly, to pay, satisfy, and discharge the Obligations secured hereby pro rata in accordance with the unpaid amount thereof; and thirdly, to pay the surplus, if any, to Borrowers, provided that the time of any application of the proceeds shall be at the sole and absolute discretion of the Lender. To the extent such proceeds do not satisfy the foregoing items, Borrowers hereby promise and agree to pay the deficiency.

11.07 The Lender and the holders of the Obligations may take or release other security, may release any party primarily or secondarily liable for any of the Obligations, may grant extensions, renewals or indulgences with respect to the Obligations, or may apply to the Obligations the proceeds of the Collateral or any amount received on account of the Collateral by the exercise of any right permitted hereunder, without resorting or regard to other security or sources of reimbursement.

11.08 Require the Borrowers to assemble the Collateral in a single location at a place to be designated by Lender and make the Collateral at all times secure and available to the Lender.

11.09 The Lender shall hereby also be granted a security interest in, and right of set off against any balance on any deposit, deposit account, agency, reserve, holdback, or other account maintained by, or on behalf of, the Borrowers with the Lender and the Lender shall have the right to apply the proceeds of such foreclosure or set off against such items of Borrowers' Obligations as Lender may select.

11.10 All rights and remedies of Lender whether provided for herein or in other agreements, instruments, or documents, or conferred by law, are cumulative and not alternative and may be enforced successively.

11.11 The parties agree that in the event that a determination of Adequate Protection of Lender is required under Section 362 or 363 of the Bankruptcy Reform Act of 1978 (Code), its successor, or Bankruptcy Rules in connection therewith, that:

A. The bargain of the parties at the time of lien creation hereunder in order to provide the Lender with adequate protection to induce it to make the loan(s), included stated ratios herein.

B. That in the event of any proceeding under the Code, that the said ratio of the value (as determined by the Lender in its sole discretion) Collateral secured to Lender to the amount of the Obligation ("Collateral-To-Obligation Ratio"), must be increased by an additional One Hundred Ten (110%) Per Cent, in order to continue to provide minimum levels of Adequate Protection to Lender due to the reduced expectation for present and future prospects of lien enforcement resulting from the existence of proceedings under the Code. This agreed minimum increase in said ratio shall not act to bar Lender from presenting evidence that even such increase is insufficient and leaves the Lender without Adequate Protection, based upon the deteriorating nature or kind of Collateral, wholly or in part, in any instance.

C. That the parties agree that the costs of liquidating and collecting of Collateral, as well as the potential for rapid Collateral deterioration if Borrowers are, at any time, subject to the Code, all require that the original Collateral-To-Obligation Ratio be increased, as aforesaid, as a requirement of minimum Adequate Protection, in addition to such other additional Adequate Protection as may be required by the Lender.

D. The parties agree that these covenants shall be conclusive evidence in any proceeding to determine minimum Adequate Protection under the Code, as to the intention and agreement of the parties at both this time, and at all times hereinafter, until the Obligations to the Lender, are paid in full.

E. That these agreements may be submitted to the Court in any such proceeding, by the Lender, in its sole and exclusive discretion, as conclusive evidence as to the agreement of the parties at the time of such hearing, concerning minimum Adequate Protection to be provided to the Lender at the time of presentment. PROVIDED, HOWEVER, that such submission shall not constitute a waiver of any default or breach hereunder, or of any other agreement by the Borrowers to the Lender, but shall remain only as evidence for the limited purposes stated herein.

F. PROVIDED, FURTHER that at all times the Lender reserves, and does not waive Borrowers' obligation to provide Adequate Protection prior to the Borrowers' use of "cash collateral" as defined in Section 363 of the Code.

12.00 BORROWER'S ACKNOWLEDGMENTS

12.01 Borrowers acknowledge that Lender has not, by the terms hereof, acted to intrude into any of its management decisions, or prerogatives, nor has it entered into control or management of Borrowers' affairs. Any reference herein to limitation on of action(s) or conduct on the part of the Borrowers represent only undertakings, or forbearance(s) necessary to preserve the management, cash flow, and asset and financial status quo promised by the Borrowers upon which the loan(s) were originally contemplated, and which the Lender relied as a condition-precedent thereto, and which are necessary to the protection of Lender, in its sole status as secured lender, and not otherwise.

12.02 The Borrowers acknowledge and represent that it is a sophisticated borrower and have experience in financial matters generally and in Borrowers' obligations, specifically. Borrowers acknowledge that they have been represented by counsel, and that a draft of this Agreement has been available for review and negotiation. Therefore, Borrowers hereby agree that all Lender's rights were the result of negotiations between the Lender and the Borrowers and were induced in a material respect by the benefits granted to the Borrowers hereunder.

13.00 BORROWERS' OBLIGATION TO PAY EXPENSES OF LENDER

Excluding expenses in connection with the preparation of this Agreement, related loan documents and the closing, the Borrowers agree to pay all reasonable expenses, including counsel fees and other expenses which may be paid or incurred by Lender for itself or as agent for any other Lender, in connection with the subject matter of this Agreement, the Obligations, the Collateral or any rights or interest therein in the event of a default hereunder, including without limiting the generality of the foregoing, the enforcement of any security interest granted hereby, and representation in any litigation including any bankruptcy or insolvency proceedings. All such expenses may be added to the principal amount of any indebtedness owed by the Borrowers to Lender and shall constitute part of the Obligations secured hereby.

14.00 TENURE

Borrowers' liability under this Agreement shall commence with the date hereof and continue in full force and effect and be binding upon Borrowers while any availability remains under the Revolving Line and until all Loans whether now in existence, or created hereinafter, shall have been fully paid and satisfied, and until so paid and satisfied, Lender shall be entitled to retain the security interest granted hereby in all Collateral. At any time, either party may advise the other that no further loans or advances are to be made, but such notice shall in no way cause any and all obligations of the Borrowers to Lender to be waived.

15.00 NO WAIVERS BY THE LENDER

No delay or omission on the part of Lender in exercising any rights shall operate as a waiver of such right or any other right. 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 of Lender's rights and remedies, whether evidenced hereby or by any other agreement, instrument, or paper, shall be cumulative and may be exercised singularly or concurrently.

16.00 AMENDMENT

This Agreement constitutes the entire agreement between the parties. The Agreement or any part thereof cannot be changed, waived, or amended, except by an instrument in writing, signed by both the Lender and Borrowers herein.

17.00 RIGHTS AND LIABILITIES OF ASSIGNS

All rights of the Lender hereunder shall inure to the benefit of its affiliates, successors, and assigns; and all obligations of Borrowers shall bind its permitted successors and assigns, as may be approved by Lender in its sole and exclusive discretion.

18.00 CONSTRUCTION

This Agreement shall be deemed to have been entered into in the Commonwealth of Massachusetts, and the laws of the Commonwealth of Massachusetts shall govern the construction of this Agreement and the rights and duties of the parties hereto. It is agreed and understood that, as this form of agreement may be used by persons of either sex, and for one or more corporations, and also where there are several parties, in such cases, the masculine and plural, as herein used, shall be instead of and shall stand for, the feminine or neuter gender or the single number, as the context may require. Any ambiguity, contradiction, or inconsistency between this Agreement and any other documents relied upon by Lender shall, at all times, be resolved in the sole and exclusive discretion of Lender.

19.00 NOTICE

Any notice required or permitted hereunder shall be in writing, and shall be duly given to any party or if mailed first class, postage prepaid, certified mail, return receipt requested, to the Borrowers at the address set forth on page 1 hereof, to the Lender at its principal banking house, or to such other address as may be specified by notice in writing to the other parties by the party changing such address.

20.00 CONSENT TO JURISDICTION

THE BORROWERS AND GUARANTORS HEREBY IRREVOCABLY AND UNCONDITIONALLY (A) SUBMITS TO PERSONAL JURISDICTION IN THE COMMONWEALTH OF MASSACHUSETTS OVER ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS, AND (B) WAIVES ANY AND ALL PERSONAL RIGHTS UNDER THE LAWS OF ANY STATE (I) TO THE RIGHT, IF ANY, TO TRIAL BY JURY, (II) TO OBJECT TO JURISDICTION WITHIN THE COMMONWEALTH OF MASSACHUSETTS OR VENUE IN ANY PARTICULAR FORUM WITHIN THE COMMONWEALTH OF MASSACHUSETTS, AND (III) TO THE RIGHT, IF ANY, TO CLAIM OR RECOVER ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN ACTUAL DAMAGES. THE BORROWERS AGREES THAT, IN ADDITION TO ANY METHODS OF SERVICE OF PROCESS PROVIDED FOR UNDER APPLICABLE LAW, ALL SERVICE OF PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING MAY BE MADE BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED DIRECTED TO THE BORROWERS AT THE ADDRESS SET FORTH ON PAGE 1 HEREOF, AND SERVICE SO MADE SHALL BE COMPLETE FIVE (5) DAYS AFTER THE SAME SHALL BE SO MAILED. NOTHING CONTAINED HEREIN, HOWEVER, SHALL PREVENT THE LENDER FROM BRINGING ANY SUIT, ACTION OR PROCEEDING OR EXERCISING ANY RIGHTS AGAINST ANY COLLATERAL AND AGAINST THE BORROWERS, AND AGAINST ANY PROPERTY OF THE BORROWERS, IN ANY OTHER STATE. INITIATING SUCH SUIT, ACTION OR PROCEEDING OR TAKING SUCH ACTION IN ANY STATE SHALL IN NO EVENT CONSTITUTE A WAIVER OF THE AGREEMENT CONTAINED HEREIN THAT THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS SHALL GOVERN THE RIGHTS AND OBLIGATIONS OF THE BORROWERS AND THE LENDER HEREUNDER OR THE SUBMISSION HEREIN BY THE BORROWERS TO PERSONAL JURISDICTION WITHIN THE COMMONWEALTH OF MASSACHUSETTS.

EXECUTED UNDER SEAL this 23rd day of Sept., 1998, by the parties set forth below, or by their duly authorized officers.

BORROWERS:

Witness

Witness

Witness

Witness

PINSLY RAILROAD COMPANY, INC.

BY: _____
Its duly authorized (seal)

FLORIDA CENTRAL RAILROAD COMPANY, INC.

BY: _____
Its duly authorized (seal)

FLORIDA MIDLAND RAILROAD COMPANY, INC.

BY: _____
Its duly authorized (seal)

FLORIDA NORTHERN RAILROAD COMPANY, INC.

BY: _____
Its duly authorized (seal)

Witness

PIONEER VALLEY RAILROAD COMPANY, INC.

BY: _____
Its duly authorized (seal)

Witness

ARKANSAS MIDLAND RAILROAD COMPANY, INC.

BY: _____
Its duly authorized (seal)

Witness

RAILROAD DISTRIBUTION SERVICES, INC.

BY: _____
Its duly authorized (seal)

Witness

RAILROAD DISTRIBUTION SERVICES, INC.

BY: _____
Its duly authorized (seal)

Witness

RAILROAD DISTRIBUTION SERVICES, INC.

BY: _____
Its duly authorized (seal)

LENDER:

_____
Witness

BANKBOSTON, N.A.

BY: Mary J. Meehan
Its duly authorized (seal)

COMMONWEALTH OF MASSACHUSETTS

HAMPDEN, SS.

On this 23rd day of September, 1998 before me personally appeared John P. Levine, to me personally known, who being by me duly sworn, says that he is the Vice President of Pinsly Railroad Company, Inc., that the seal 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 was the free act and deed of said corporation.

(SEAL)

_____
Notary Public
My Commission Expires: 12-25-03

COMMONWEALTH OF MASSACHUSETTS

HAMPDEN, SS.

On this 23rd day of September, 1998 before me personally appeared John P. Levine, to me personally known, who being by me duly sworn, says that he is the Vice President of Florida Central Railroad Company, Inc., that the seal 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 was the free act and deed of said corporation.

(SEAL)

Notary Public
My Commission Expires: 12-25-03

COMMONWEALTH OF MASSACHUSETTS

HAMPDEN, SS.

On this 23rd day of September, 1998 before me personally appeared John P. Levine, to me personally known, who being by me duly sworn, says that he is the Vice President of Florida Midland Railroad Company, Inc., that the seal 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 was the free act and deed of said corporation.

(SEAL)

Notary Public
My Commission Expires: 12-25-03

COMMONWEALTH OF MASSACHUSETTS

HAMPDEN, SS.

On this 23rd day of September, 1998 before me personally appeared John P. Levine, to me personally known, who being by me duly sworn, says that he is the Vice President of Florida Midland Railroad Company, Inc., that the seal 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 was the free act and deed of said corporation.

(SEAL)

Notary Public
My Commission Expires: 12-25-03

COMMONWEALTH OF MASSACHUSETTS

HAMPDEN, SS.

On this 23rd day of September, 1998 before me personally appeared John P. Levine, to me personally known,

who being by me duly sworn, says that he is the Vice President of Florida Northern Railroad Company, Inc., that the seal 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 was the free act and deed of said corporation.

(SEAL)

Notary Public
My Commission Expires: 12-25-03

COMMONWEALTH OF MASSACHUSETTS

HAMPDEN, SS.

On this 22nd day of September, 1998 before me personally appeared John P. Levine, to me personally known, who being by me duly sworn, says that he is the Vice President of Pioneer Valley Railroad Company, Inc., that the seal 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 was the free act and deed of said corporation.

(SEAL)

Notary Public
My Commission Expires: 12-25-03

COMMONWEALTH OF MASSACHUSETTS

HAMPDEN, SS.

On this 23rd day of September, 1998 before me personally appeared John P. Levine, to me personally known, who being by me duly sworn, says that he is the Vice President of Arkansas Midland Railroad Company, Inc., that the seal 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 was the free act and deed of said corporation.

(SEAL)

Notary Public
My Commission Expires: 12-25-03

COMMONWEALTH OF MASSACHUSETTS

HAMPDEN, SS.

On this 23rd day of September, 1998 before me personally appeared John P. Levine, to me personally known, who being by me duly sworn, says that he is the Vice President of Railroad Distribution Services, Inc. (Massachusetts), that the seal 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 was the free act and deed of said corporation.

(SEAL)

Notary Public
My Commission Expires: 12-25-03

COMMONWEALTH OF MASSACHUSETTS

HAMPDEN, SS.

On this 25th day of September, 1998 before me personally appeared John P. Levine, to me personally known, who being by me duly sworn, says that he is the Vice President of Railroad Distribution Services, Inc. (Florida), that the seal 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 was the free act and deed of said corporation.

(SEAL)

Notary Public
My Commission Expires: 12-25-03

COMMONWEALTH OF MASSACHUSETTS

HAMPDEN, SS.

On this 22nd day of September, 1998 before me personally appeared John P. Levine, to me personally known, who being by me duly sworn, says that he is the Vice President of Railroad Distribution Services, Inc. (Arkansas), that the seal 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 was the free act and deed of said corporation.

(SEAL)

Notary Public
My Commission Expires: 12-25-03

EXHIBIT A

DESCRIPTION OF MORTGAGED PREMISES

SCHEDULE A

(a) All those certain tracts or parcels of land more particularly described and set forth in Schedule B attached hereto and made a part hereof (the "Premises");

(b) The easements and other rights granted to Mortgagor in that certain quitclaim deed dated as of February 20, 1992 by and between MISSOURI PACIFIC RAILROAD COMPANY, as Grantor, and Mortgagor, as Grantee to be recorded herewith and all and singular the tenements, hereditaments, easements, licenses, trackage rights, appurtenances, passages (and all waters, water courses and riparian rights, if any), pipes, conduits, electrical and other utility lines, other rights, liberties and privileges thereof or in any way now or hereafter appurtaining to the Premises, including any other claim at law or in equity as well as any after acquired title, franchise or license and the reversion and reversions and remainder and remainders thereof, and all of the estate, right, title, claim or demand whatsoever of Mortgagor therein and in the streets, ways and areas adjacent thereto;

(c) All buildings and other improvements of every kind and description now or hereafter erected or placed on the Premises or any part thereof owned by Mortgagor, and all of the right, title and interest of Mortgagor in and to all materials intended for construction, reconstruction, alteration and repairs of such improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the Premises immediately upon the delivery thereof to the Premises, and all fixtures, Building Service Equipment, and all renewals or replacements thereof or articles in substitution therefor; it being mutually agreed that all the aforesaid property owned or to be owned by Mortgagor and placed by it on the Premises and such buildings and improvements shall, so far as permitted by law, be deemed to be affixed thereto and covered by this Mortgage;

(d) All of the estate, right, title and interest now owned or hereafter acquired by Mortgagor in and to any and all sidewalks and alleys, and all strips and gores of land, adjacent to or in connection with the Premises;

(e) All present and future leases and licenses of space in the buildings and improvements now or hereafter erected on the Premises (collectively "leases", and individually "lease") and the rents, revenues, income,

issues and profits thereunder subject, however, to the right of Mortgagor to receive and use the same and to exercise all rights and privileges as landlord under all of the leases until an Event of Default shall have occurred and be continuing under this Mortgage, together with all the rights and privileges of Mortgagor as landlord thereunder;

(f) All unearned premiums accrued, accruing or to accrue under any and all insurance policies now or hereafter obtained by Mortgagor pursuant to the provisions of the Mortgage;

(g) All proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims, including, but without limitation, proceeds of insurance provided for in this Mortgage and proceeds of condemnation awards and awards for restriction of access to, or change of grade of, streets;

(h) All transferable building service, building maintenance, construction, management and other similar agreements and contracts, written or oral, express or implied, now or hereafter entered into arising or in any manner related to the construction, design, improvement, use, operation, occupation, enjoyment, sale, conversion or other disposition (voluntary or involuntary) of the Premises, or the buildings and improvements now or hereafter located thereon, or any other interest in the Premises, or any combination thereof, including all property management agreements, sales contracts, contract deposits, earnest money deposits, prepaid items and payments due and to become due thereunder, and further including all payment and performance bonds, construction guaranties, warranties, construction contracts, architects agreements, general contract agreements, design agreements, engineering agreements, technical service agreements, architectural plans and specifications, sewer and water and other utility agreements, permits, approvals, licenses, building permits, service contracts, advertising contracts, purchase orders and equipment leases;

(i) All rolling stock, locomotives, cars, automotive and motor vehicles, machinery, tools, equipment, fuel, supplies and materials and other personal property used and employed in connection with the maintenance or operation of a railroad; and

(j) All proceeds and products of the foregoing of every type.

All of the foregoing described property, rights, privileges, interests and franchises more particularly described in paragraphs (a) through (i) above herein granted are intended to be, and are collectively referred to herein as, the "Property."

ARKANSAS MIDLAND RAILROAD COMPANY, INC.

Carlisle, Helena, Hot Springs, and Norman Branches

SCHEDULE "B"

Carlisle Branch

All of those certain properties and property rights constituting a portion of the Carlisle Branch of the Missouri Pacific Railroad Company - (Grantor), being a railroad that runs between Carlisle, Arkansas and North Little Rock, Arkansas, and being all right, title and interest of said Railroad Company in and to all property owned by Grantor, including those certain strips or parcels of land of varying and/or tapering widths heretofore acquired by said Railroad Company from the Chicago Rock Island and Pacific Railroad Company by that certain deed dated November 17, 1983, recorded January 18, 1984 as instrument 84-03491 in the records of Pulaski County, Arkansas, and recorded January 20, 1984, in Book 216, Page 748, in the records of Lonoke County, Arkansas, extending, in general, in a westerly direction, from the east line of the SW¼NE¼ of Section 22, Township 2 North, Range 7 West of the 5th Principal Meridian in Lonoke County, Arkansas, to the North-South centerline of Section 31 Township 2 North, Range 11 West of the 5th Principal Meridian in Pulaski County, Arkansas, and situate in the following sections:

LONOKE COUNTY

SECTIONS	TOWNSHIP	RANGE
22, 21, 20 and 19	2 North	7 West
24, 23, 22, 21, 20 and 19	2 North	8 West
24, 23, 22, 21, 20 and 19	2 North	9 West
24, 23 and 22	2 North	10 West

PULASKI COUNTY

SECTIONS	TOWNSHIP	RANGE
21, 20, 19 and 30	2 North	10 West
24, 25, 26, 27, 28, 29, 31(*) and 32	2 North	11 West

(*) EXCEPTING therefrom, all that portion of said section lying northerly of a line parallel with and 50.0 feet northerly, measured at right angles, from the centerline of the main track of said Carlisle Branch.

Helena Branch

All of those certain properties and property rights constituting a portion of the Helena Branch of the Missouri Pacific Railroad Company - (Grantor), being a line of railroad that runs between Helena Junction, Arkansas and Helena (end of branch), Arkansas, and being all right, title and interest of said Railroad Company in and to all property owned by Grantor, including those certain strips or parcels of land of varying and/or tapering widths heretofore acquired by said Railroad Company and/or its predecessor(s) extending, in general, in a southeasterly direction, from the north line of Section 25, Township 1 South, Range 3 East of the 5th Principal Meridian in Phillips County, Arkansas, to the end of said Branch in U.S. Survey No. 2295, Township 2 South, Range 5 East of the 5th Principal Meridian in said Phillips County, and situate in the following sections and U.S. Surveys:

PHILLIPS COUNTY

SECTIONS/SURVEY	TOWNSHIP	RANGE
25(*)	1 South	3 East
30, 31 and 32	1 South	4 East
5, U.S. Survey No. 2410, 4, 9, 10(**), U.S. Survey No. 2412, 11, 12, 1, 2(***), U.S. Survey Nos. 2433 and 2364	2 South	4 East
U.S. Survey Nos. 2364, 496, 491, 2420(****), and 2295(*****)	2 South	5 East

(*) EXCEPTING therefrom, all that portion of said Section 25 lying westerly of a line parallel with and 50.0 feet distant westerly, measured at right angles, from the centerline of the main track of said Helena Branch.

(**) EXCEPTING therefrom, all that portion of said Section 10 lying Northeasterly of a line parallel with and 50.0 feet distant Northeasterly, measured at right angles, from the centerline of the main track of said Helena Branch.

(***) EXCEPTING therefrom, all that portion of said Section 2 lying within Block "E" in the City of West Helena, according to the plat thereof, and within Blocks "N", 107 and 108 which lies between Lot O and Plaza Avenue in said City.

(****) EXCEPTING therefrom, all that portion of said Survey No. 2420 lying Southeasterly of a line parallel and/or concentric with and 50.0 feet distant Southeasterly, measured at right angles and/or radially, from the present centerline of the main track of said Helena Branch and lying east of the east line, and the extension thereof, of Lots 45, 46, 47, 48 and 49 of Whitehead Place, a Subdivision to the City of Helena.

40

(*****) EXCEPTING therefrom, all that portion of said Survey No. 2295 lying within the W½ of Block 4 in New Helena, a Subdivision to the City of Helena, and west of a line parallel and/or concentric with and 15.0 feet distant west of the centerline of Track No. 15 of said Railroad Company as said track presently exists and is shown on map V5A-ARK-S1a in the records of the Grantor; that portion of Block 13 in said New Helena lying east of the alley therein; Lots 44 through 64, inclusive, of Middle Addition to said City; all that area lying between Ohio, Market, Water and Elm Streets; and all that area lying between Ohio, York, Cherry and Elm Streets, lying Northwesterly of a line parallel and/or concentric with and 10.0 feet distant west, measured at right angles and/or radially, from the centerline of said Track No. 15.

ALSO EXCEPTING from the Helena Branch, all that portion of the original right-of-way (now partially abandoned) of the former Arkansas Midland Railway Company, a predecessor of the Grantor, lying in said Sections 5, 9, 10 and 11, and Survey Nos. 2412, 2433, 2364 and 496 and lying southerly and westerly of a line parallel and/or concentric with and 50.0 feet distant southerly, measured at right angles and/or radially, from the present centerline of the main track of said Helena Branch.

Hot Springs Branch

All of those certain properties and property rights constituting that portion of the Hot Springs Branch of the Missouri Pacific Railroad Company - (Grantor), being a line of railroad that runs between Malvern, Arkansas and Hot Springs, Arkansas, and being all right, title and interest of said Railroad Company in and to all property owned by Grantor, including those certain strips or parcels of land of varying and/or tapering widths heretofore acquired by said Railroad Company from the Chicago Rock Island and Pacific Railroad Company by that certain Deed dated August 1, 1980, recorded August 25, 1980, in Book 939, Page 22, in the records of Garland County, Arkansas, and recorded September 2, 1980, in Book 198, Page 287, in the records of Hot Spring County, Arkansas, extending, in general, in a northwesterly direction, from the southwest, south, southeast,and northeast lines of Block 7 in the City of Malvern in Section 22, Township 4 South, Range 17 West of the 5th Principal Meridian in Hot Spring County, Arkansas, to the end of ownership of said portion of Branch in Section 33, Township 2 South, Range 19 West of the 5th Principal Meridian, in Garland County, Arkansas, and situate in the following sections:

HOT SPRING COUNTY

SECTIONS/SURVEY	TOWNSHIP	RANGE
22(*), 15, 10 and 3	4 South	17 West
35(**), 34, 33, 32, 29(***), and 30	3 South	17 West
26, 25(****), 24, and 23	3 South	18 West

(*) EXCEPTING therefrom, all that portion of said Block 7 in said Section 22 lying southwesterly of a line parallel with and 25.0 feet distant southwesterly, measured at right angles, from the centerline of the main track of said Hot Springs Branch and northeasterly of a line parallel and/or concentric with and 25.0 feet distant northeasterly, measured at right angles and/or radially, from the centerline of Track No. 22 of said Railroad Company as said track presently exists and is shown on map A39-SL-1a in the records of the Grantor.

(**) EXCEPTING therefrom, all that portion of said Section 35 lying northerly of a line parallel and/or concentric with and 50.0 feet distant northerly, measured at right angles and/or radially, from the centerline of the main track of said Butterfield Branch.

(***) EXCEPTING therefrom, all that portion of said Section 29 lying northeasterly of a line parallel and/or concentric with and 50.0 feet distant northeasterly, measured at right angles and/or radially, from the centerline of the main track of the Hot Springs Branch of said Railroad.

(****) EXCEPTING therefrom, all that portion of the SW¼NE¼ of said Section 25 lying northeasterly of a line parallel and/or concentric with and 50.0 feet distant northeasterly, measured at right angles and/or radially, from the centerline of the main track of said Hot Springs Branch; and that portion of the SW¼ of Said section lying southwesterly of a line parallel and/or concentric with and 50.0 feet distant southwesterly, measured at right angles and/or radially, from said centerline of the main track.

GARLAND COUNTY

SECTIONS/SURVEY	TOWNSHIP	RANGE
22, 21, 20, 19, 18 and 15	3 South	18 West
13, 12, 11, 3 and 2	3 South	19 West

Also, all of those certain properties and property rights owned by Grantor, situate in Sections 22 and 27, Township 4 South, Range 17 West of the 6th Principal Meridian in Hot Spring County, Arkansas, being those certain strips or parcels of land of varying and/or tapering widths heretofore acquired by said Railroad Company from the Chicago Rock Island and Pacific Railroad Company by that certain Deed dated August 1, 1980, recorded August 25, 1980, in Book 939, Page 22, in the records of Garland County, Arkansas, and recorded September 2, 1980, in Book 198, Page 287, in the records of Hot Spring County, Arkansas, lying between lines parallel with and 75.0 feet distant northwesterly and southeasterly, measured at right angles and/or radially, from the centerline of Track No. 22 of said Railroad Company as said track presently exists and is shown on map A-39-SL-1a in the records of the Grantor, and extending, in

general, in a southwesterly direction, from the southwest line of Block 7 in the Town of Malvern to a line parallel with and 50.0 feet distant northwesterly, measured at right angles, from the centerline of the main track of the Little Rock Subdivision of said Railroad Company.

Also, all of those certain properties and property rights constituting that portion of the Hot Springs Branch of the Missouri Pacific Railroad Company - (Grantor), being a line of railroad that runs between Morning Star (formerly Thorborn), Arkansas and Mountain Pine (end of branch), Arkansas, and being all right, title and interest of said Railroad Company in and to all property owned by Grantor, including those certain strips or parcels of land of varying and/or tapering widths heretofore acquired by said Railroad Company and/or its predecessor(s) extending, in general, in a northwesterly direction, from a line parallel with and 200.0 feet easterly, measured at right angles from the west line of Section 6, Township 3 South, Range 18 West of the 5th Principal Meridian in Garland County, Arkansas, to the end of said Branch in Section 8, Township 2 South, Range 20 West, in said Garland County, and situate in the following sections:

GARLAND COUNTY

SECTIONS/SURVEY	TOWNSHIP	RANGE
6	3 South	18 West
1, 2, 3, 4(*), 7(**), 8 and 9(***)	3 South	19 West
2, 11 and 12(****)	3 South	20 West
35, 34, 28, 27, 21, 20, 17 and 8	2 South	20 West

(*) EXCEPTING therefrom, all that portion of said Section 4 lying north of the north right-of-way line of Grand Avenue and west of the west right-of-way line of Valley Street in the City of Hot Springs not herein conyeyed in Blocks 50 and 54 in said City; ALSO EXCEPTING therefrom, all that portion of the SW¼ of Section 4 lying westerly of the southerly extension of the east right-of-way line of Valley Street in the City of Hot Springs; ALSO EXCEPTING therefrom, all that portion of the SW¼ of Section 4 being that part of the wye track area lying west of the north-south centerline of said Section, southwest of a line parallel and/or concentric with and 50.0 feet distant southwesterly, measured at right angles and/or radially, from the centerline of the north main track of said Hot Springs Branch, south of the south line of Belding Avenue (formerly Smith Street) and east of a line parallel and/or concentric with and 15.0 feet distant easterly, measured at right angles and/or radially, from the centerline of the west leg of the wye (track No. 1A) of said Railroad.

(**) EXCEPTING therefrom, all that portion of said Section 7 lying southerly of a line parallel and/or concentric with and 50.0 feet distant southerly, measured at right angles

43

and/or radially, from the centerline of the main track of said Hot Springs Branch.

(***) EXCEPTING therefrom, all that portion of said Section 9 lying southerly of a line parallel and/or concentric with and 50.0 feet distant southerly, measured at right angles and/or radially, from the centerline of the main track of said Hot Springs Branch and east of Nevada Street in the City of Hot Springs; ALSO EXCEPTING therefrom, all that portion of the NW¼ of Section 9 lying west of the southerly extension of the east right-of-way line of Valley Street in the City of Hot Springs, north of a line parallel and/or concentric with and 50.0 feet distant northerly, measured at right angles and/or radially, from the centerline of the south main track of said Hot Springs Branch and east of the southerly extension of the east right-of-way line of Carson Street in said City.

(****) EXCEPTING therefrom, all that portion of said Section 12 lying southerly of a line parallel and/or concentric with and 50.0 feet distant southerly, measured at right angles and/or radially, from the centerline of the main track of said Hot Springs Branch.

Also, all of those certain properties and property rights owned by Grantor in Block 54, in the City of Hot Springs, Garland County, Arkansas, and that portion of Block 50 in said City described as **BEGINNING** at a point on the south line of Orange Street that is 160.0 feet east of the east line of Elm Street; thence southerly along a line parallel with the west line of lots 1 and 3 of said block, a distance of 760 feet, more or less, to a point in the west line of Valley Street; thence south along said west line to a point that is 160.0 feet north of the southeast corner of said block; thence northwesterly along a line that forms an angle of 43° from north to northwest with said west line, a distance of 315.0 feet; thence west along a line parallel with the north line of lot 5 to a point in said east line of Elm Street; thence north along said east line to the northwest corner of said Lot 5; thence east along the north line of said Lot 5 to a point in a line parallel with and 80.0 feet easterly, measured at right angles, from the west line of said Lots 1 and 3; thence northerly along said parallel line, a distance of 220.0 feet; thence easterly at right angles to the last described parallel line, a distance of 20.0 feet; thence northerly at right angles to the last described line, a distance of 175.0 feet, to a point in the south line of Orange Street; thence easterly along said south line, a distance of 80.0 feet, to the **POINT OF BEGINNING.**

<u>Norman Branch</u>

All of those certain properties and property rights constituting the Norman Branch of the Missouri Pacific Railroad Company - (Grantor), being a railroad that runs between Gurdon, Arkansas and Birds Mill, Arkansas, and being all right, title and interest of said Railroad Company in and to all property owned by

44

Grantor, including those certain strips or parcels of land of varying and/or tapering widths heretofore acquired by said Railroad Company and/or its predecessor(s) extending, in general, in a northwesterly direction, from the northwesterly right-of-way line of the Little Rock Subdivision of said Railroad Company which is a line parallel with and 50.0 feet distant northwesterly, measured at right angles, from the centerline of the main track of said Subdivision in Section 28, Township 9 South, Range 20 West of the 5th Principal Meridian in Clark County, Arkansas, to the end of said Branch in Section 19, Township 4 South, Range 24 West of the 5th Principal Meridian in Montgomery County, Arkansas, and situate in the following sections:

CLARK COUNTY

SECTIONS	TOWNSHIP	RANGE
28, 21(*), 16, 17 and 18	9 South	20 West
13, 14, 15, 22, 21, 20, 17 and 18(**)	9 South	21 West
13, 14, 11, 10 and 3(***)	9 South	22 West
34, 27, 28, 21, 20 and 19	8 South	22 West
24, 23, 14, 11, 2 and 3	8 South	23 West
34, 27, 22, 15 and 16	7 South	23 West
33, 34, 21, 20, 17, 8 and 5	6 South	23 West
33 and 28	5 South	23 West

(*) EXCEPTING therefrom, all that portion of said Section 21 lying northeasterly of a line parallel and/or concentric with and 50.0 feet distant northeasterly, measured at right angles and/or radially, from the centerline of the main track of said Norman Branch.

(**) EXCEPTING therefrom, all that portion of the SE¼SW¼ of said Section 18 lying southerly of a line parallel and/or concentric with and 25.0 feet distant southerly, measured at right angles and/or radially, from the centerline of the main track of said Norman Branch.

(***) EXCEPTING therefrom, all that portion of the NW¼NE¼ of said Section 3 lying easterly and westerly of lines parallel and/or concentric with and 50.0 feet distant easterly and westerly, measured at right angles and/or radially, from the centerline of the main track of said Norman Branch.

PIKE COUNTY

SECTIONS	TOWNSHIP	RANGE
24, 23, 22 and 21(*)	8 South	23 West
16, 15, 10(**), 9 and 4	7 South	23 West
33, 34, 28 and 21	6 South	23 West
29, 20 and 19	5 South	23 West
24, 13, 14, 11(***), 10(****),		

45

3(*****) and 4	5 South	24 West

(*) EXCEPTING therefrom, all that portion of said Section 21 lying southwesterly of a line drawn at right angles to the southwesterly extension of the centerline of track No.232-18 (a.k.a. Pike City Industrial Lead) of said Railroad Company, at a point thereon that is 50.00 distant southwesterly, measured along said centerline, from a point opposite the end of the last rail of said track.

(**) EXCEPTING therefrom, all that portion of the NW¼SW¼ of said Section 10 lying northeasterly of a line parallel and/or concentric with and 75.0 feet distant northeasterly, measured at right angles and/or radially, from the centerline of the main track of said Norman Branch.

(***) EXCEPTING therefrom, all that portion of said Section 11 lying northeasterly of a line parallel and/or concentric with and 50.0 feet distant northeasterly, measured at right angles and/or radially, from the centerline of the main track of said Norman Branch.

(****) EXCEPTING therefrom, all that portion of said Section 10 lying northeasterly of a line parallel and/or concentric with and 75.0 feet distant northeasterly, measured at right angles and/or radially, from the centerline of the main track of said Norman Branch.

(*****) EXCEPTING therefrom, all that portion of said Section 3 lying northeasterly and southwesterly of lines parallel and/or concentric with and 75.0 feet distant northeasterly and southwesterly, measured at right angles and/or radially, from the centerline of the main track of said Norman Branch.

MONTGOMERY COUNTY

SECTIONS	TOWNSHIP	RANGE
33, 28, 29(*), 20 and 19(**)	4 South	24 West

(*) EXCEPTING therefrom, all that portion of said Section 29 lying southwesterly of a line parallel and/or concentric with and 75.0 feet distant southwesterly, measured at right angles and/or radially, from the centerline of the main track of said Norman Branch.

(**) EXCEPTING therefrom, all that portion of said Section 19 lying northwesterly of a line drawn at right angles to the northwesterly extension of the centerline of said Branch at a point thereon that is 50.00 distant northwesterly, measured along said centerline, from a point opposite the end of the last rail of said Branch.

46

Schedule C

Items listed on Schedule B-II of that certain Commitment for Title Insurance No. 1963163 (STS File Number T-23793) issued by First American Title Insurance Company through State Title Services, Inc. With an effective date of February 22, 1992.

EXHIBIT D

NONE

EXHIBIT "A-1"

Three (3) certain pieces of parcels of land situated in Easthampton, Hampshire County, Massachusetts, described in a deed dated May 5, 1986 and recorded in the Hampshire County Registry of Deeds at Book 2721, Page 91, and bounded and described as follows:

PARCEL "A"

A railroad right of way beginning at Station 5 + 30± running in a generally westerly direction to the easterly side of Meadow Road (so-called), said right of way consisting of all of the grantor's ownership which lies on either side of said centerline, be all of said measurements more or less, however otherwise bounded and described, said parcel containing an area of 400,750 square feet, more or less, and being shown upon plan marked: "Boston and Maine Corporation, Office of the Vice President - Engineering Easthampton, Mass., Land Sale Plan, Val. Sec. 42.3, Maps 1 & 2, Scale: 1 in. = 100ft., Date: May 29, 1984 Drawn, by: J.P. M., Checked by: J.N.G., Approved: V.C.M., Jr." recorded in said Registry.

PARCEL "B"

A railroad right of way, the centerline of which runs from the westerly side of Meadow Road (so-called), and runs in a generally westerly direction to the easterly side of Fern Road, said right of way consisting of all of the grantor's ownership which lies on either side of the centerline, be all of said measurements more or less, however otherwise bounded and described, said parcel containing an area of 213,440 square feet, more or less, and being shown upon plan herein above described.

PARCEL "C"

A railroad right of way, the centerline of which runs from the westerly side of Fern Road (so-called) in a generally westerly direction to the easterly side of Arthur Street (so-called) at Station 85 + 08±, said right of way consisting of all the grantor's ownership which lies on either side of the centerline, be all of said measurements more or less, however otherwise bounded and described, said parcel containing an area of 109,906 square feet, more or less, and being shown upon a plan hereinabove described.

These parcels are owned subject to and with the benefit of all rights and easements which Boston and Maine Railroad Corporation reserved in a permanent easement from It to Massachusetts Electric Company dated _____, 1986, and recorded in said Registry at Book _____, Page _____.

This conveyance is also made with the benefit of all crossing rights over and across Ferry Street, so-called, relative to the operation of the railroad.

These parcels are also subject to rights reserved in a certain deed dated May 5, 1986 and recorded in said Registry at Book 2721, Page 91.

EXHIBIT "A-2"

Two (2) certain pieces or parcels of land situated in Easthampton, Hampshire County, Massachusetts, described in a certain deed dated February 17, 1984 and recorded at the Hampshire County Registry of Deeds at Book 2471, Page 76, bounded and described as follows:

PARCEL "A"

A railroad right of way beginning at Station 85 + 60±, running in a generally westerly direction to the southerly side of Ferry Street (so-called), said right of way consisting of all of the grantor's ownership which lies on either side of said centerline, be all of said measurements more or less, however otherwise bounded and described, said parcel containing an area of 300,400 square feet, more or less, and being shown upon plan marked: "Boston and Maine Corporation, Office of the Vice President - Engineering, Easthampton, Mass., Land Sale Plan, Val. Sec. 42.3, Maps 2, 3 & 4, Scale: 1 in. = 100ft., dated Oct. 6, 1982, drawn by: J.P. M., checked by: V.C.M., approved by G.A.G.", recorded in said Registry.

PARCEL "B"

A railroad right of way, the centerline of which runs from the northerly side of Ferry Street (so-called), and runs in a generally southwesterly direction to Station 168+ 53± , said right of way consisting of all of the grantor's ownership which lies on either side of the centerline, be all of said measurements more or less, however otherwise bounded and described, said parcel containing an area of 144,800 square feet, more or less, and being shown upon plan herein above described.

There is included in these parcels that line of track (together with ties, ballast and other appurtenances), which was excluded and excepted from the deed from Boston and Maine Corporation to National Distributors, Inc., dated Dec. 8, 1983, and recorded in the Hampshire Country Registry of Deeds at Book 2412, Page 335, the centerline of which track, as shown on the plan referred to in said deed, to run from a point on the northeasterly sideline of the parcel described in said deed (which line is shown on a plan hereinabove referred to, to run South 42°11'56" East) in a generally southwesterly direction along the most northwesterly sideline of said parcel a total distance of 215 feet, together with all of the reserved rights of the Boston and Maine Corporation, its successors and assigns, to maintain and use said track in its present location and to operate locomotives, cars, and railroad equipment thereof, from time to time, and at any and all times, for the purpose of serving the land conveyed hereby by Boston and Maine Corporation to the Pioneer Valley Railroad Company, Inc., its successors and assigns, located on the northwesterly side of said track.

There is also included in this conveyance the right reserved to Boston and Maine Corporation, its successors and assigns, in said deed to National Distributors, Inc. to enter upon the parcel conveyed by said deed, from time to time and at any and all times, in order to inspect, repair, relay, renew, maintain and use said track, which right has been conveyed to Pioneer Valley Railroad Company, its successors and assigns.

There is also included with the above described property are all pipes, poles, wires and

underground facilities and all rights pertaining thereto which were excepted from the conveyance by Boston and Maine Corporation to National Distributors, Inc., as described in said deed, and there is also included in this conveyance all sections of railroad tracks, including, but not limited to, Boston and Maine Corporation's Easthampton Branch Line Track and railroad track material and/or appurtenances as are located within the limits of the parcel conveyed to National Distributors, Inc., as described in said deed, and all rights pertaining thereto, which tracks and rights were excepted from said conveyance to National Distributors, Inc., and which were conveyed to Pioneer Valley Railroad Company, its successors and assigns.

This property is owned subject to and with the benefit of all rights and easements which Boston and Maine Corporation reserved in its deed, dated Dec. 8, 1983, to National Distributors, Inc., which deed is recorded in Hampshire County Registry of Deeds at Book 2412, Page 335; and subject also to a permanent easement from the Boston and Maine Corporation to New England Power Company, dated August 26, 1983, and recorded in Hampshire County Registry of Deeds at Book 2382, Page 297.

This conveyance is also made with the benefit of all crossing rights over and across Ferry Street, so-called, relative to the operation of the railroad.

EXHIBIT "A-3"

Certain parcels of land in Hampden County and Hampshire County described in a certain deed from Consolidated Rail Corporation to Pioneer Valley Railroad Company dated June 30, 1982 and recorded in Hampden County Registry of Deeds at Book _____, Page _____, and recorded in the Hampshire County Registry of Deeds at Book _____, Page _____, meaning and intending to fully describe all of the parcels conveyed by said deed, including those referenced with maps attached, being bounded and described as follows:

PARCEL 1:

ALL THAT LINE of railroad, being a portion of Consolidated Rail Corporation's Florence Secondary Track identified as Line Code 4249 in the records of the United States Railway Association and also being a portion of the former Penn Central Transportation Company's line of railroad also known as the Florence Secondary Track as identified in the Registrar's Office of Hampden County in Book 4672 at Page 21 and

BEGINNING in Westfield, Hampden County, Massachusetts at Railroad Mile Post 0.0 as indicated on Railroad Valuation Map No. 500-9154-10B-61-4 and which Beginning point is northeast of the intersection of Parker Avenue and Pochassic Street; and thence extending from said Mile Post in a general northeasterly direction through Westfield and passing through Brick Yard to the Line dividing the Town of Westfield, Hampden County, Massachusetts from Town of Southampton, Hampshire County, Massachusetts..

EXCEPTING and RESERVING thereout and therefrom all right, title and interest in and to the properties described in Exhibit "B" hereof.

BEING a portion of the same premises which Robert W. Blanchette, Richard C. Bond and John H. McArthur, as Trustees of the property of Penn Central Transportation Company, Debtor by Conveyance Document No. PC-CRC-RP-86, dated March 30, 1976 and recorded in the Registrar's Office of Hampden County, Massachusetts on October 11, 1978 in Book 4672 at Page 11 etc., granted and conveyed unto Consolidated Rail Corporation.

PARCEL 2:

ALL THAT LINE of railroad being a portion of Consolidated Rail Corporation's Florence Secondary Track identified as Line Code 4249 in the records of the United States Railway Association and also being a portion of the former Penn Central Transportation Company's Line of Railroad also known as the Florence Secondary Track and identified in the Registrar's Office of Hampshire County, Massachusetts in Book 2058 at Page 310 and

BEGINNING at the Line dividing the Town of Westfield, Hampden County, Massachusetts and Town of Southampton, Hampshire County, Massachusetts and Extending from said line in a general northeasterly direction and passing through Southampton and continuing to its point of ENDING at Railroad Mile Post 11.9, as indicated on Railroad

Valuation Map No. 500-9154-011B-73-4, which is approximately 300 feet east of Pleasant and Ferry Streets in Easthampton, Hampshire County, Massachusetts.

BEING a portion of the same premises which Robert W. Blanchette, Richard C. Bond and John H. McArthur, as Trustees of the property of Penn Central Transportation Company, Debtor, by Conveyance Document No. PC-CRC-RP-87 dated March 30, 1976 and recorded on October 11, 1978 in the Registrar's Office of Hampshire County, Massachusetts in Book 2058 at Page 304 etc., granted and conveyed unto Consolidated Rail Corporation.

PARCEL 3:

Certain property in Westfield, West Springfield, and Holyoke described in a certain deed from Consolidated Rail Corporation to Pioneer Valley Railroad Company dated June 30, 1982 referenced above, bounded and described as follows:

ALL THAT LINE of railroad being a portion of Consolidated Rail Corporation's Holyoke Secondary identified as Line Code 4248 in the records of the United States Railway Association and also being a portion of the former Penn Central Transportation Company's line of railroad also known as the Holyoke Secondary Track (Line Code 4248) and further identified in the Hampden County Registrar's Office in Book 4672 at Page 18,

BEGINNING in Westfield, Hampden County, Massachusetts at Railroad Mile Post 31.2 and Station 1647+50 as indicated on Railroad Valuation Map No. 500-9154-010B-59-4 and further identified in the Hampden County Registrar's Office in Book 4672 at Page 42 and indicated on Page 107 in said Book, and thence continuing in a general northerly direction through Westfield across the Westfield River and Powder Mill Pond and thence continuing in a general easterly direction and passing through West Springfield to its point of Ending at Railroad Mile Post 43.5 as indicated on Railroad Valuation Map No. 150-9109-10-10-4 and which Mile Post is approximately 220 feet east of Lyman Street in Holyoke, Hampden County, Massachusetts.

EXCEPTING and RESERVING thereout and therefrom all right, title and interest in and to the properties described in Exhibit "B" hereof.

BEING a portion of the same premises which Robert W. Blanchette, Richard C. Bond and John H. McArthur, as Trustees of the property of Penn Central Transportation Company, Debtor by Conveyance Document No. PC-CRC-RP-86, dated March 30, 1976 and recorded in the Registrar's Office of Hampden County, Massachusetts on October 11, 1978 in Book 4672 at Page 11 etc., granted and conveyed unto Consolidated Rail Corporation.

EXHIBIT "B"

The following described parcels are excepted from and excluded from the properties described in Exhibit "A" above:

PARCEL 1:

ALL THAT CERTAIN parcel of land, located in Holyoke, Hampden County, Massachusetts, Situate in the vicinity of Appleton, Railroad and Front Streets, and designated as Parcel No. D (Property to be retained by Conrail) on a fragment copy of Railroad Valuation Map No. 9109-1-0-10 and being all the land, right, title and interest of Consolidated Rail Corporation indicated as Parcel D and by hatched lines on fragment map as Page B-7, which plan is recorded as an exhibit to the June 30, 1982 deed to Pioneer Valley Railroad Company, Inc. referenced above.

PARCEL 2

ALL THAT CERTAIN piece or parcel of land, located in Westfield, Hampden County, Massachusetts, Situate North of the Westfield River in the vicinity of Parker Avenue and Montgomery Street and is designated Parcel No. A (Interchange track to be retained by Conrail) on a fragment of map of Railroad Valuation Map No. 9154-010-B-61 and being all the land, right, title and interest of Consolidated Rail Corporation indicated as Parcel A and by hatched lines on said fragment map shown as B-3, which plan is recorded as an exhibit to the June 30, 1982 deed to Pioneer Valley Railroad Company, Inc. referenced above.

PARCEL 3:

ALL THAT CERTAIN parcel of land, located in Westfield, Hampden County, Massachusetts, Situate North of the Westfield River and Northwest of North Elm Street and Old Pochassic Street and is designated as Parcel No. B (The Boston and Albany right of way at the crossing with the New Haven Line (Holyoke Secondary) is to be retained by Conrail) on a fragment copy of Railroad Valuation Map No. 9154-010-B-61 and being all the land, right, title and interest of Consolidated Rail Corporation, indicated as Parcel B and by hatched lines on said fragment map shown as page B-3, which plan is recorded as an exhibit to the June 30, 1982 deed to Pioneer Valley Railroad Company, Inc. referenced above.

SUBJECT to an easement and right of the Pioneer Valley Railroad Company, Inc. to use the right of way through this Excepted and Reserved Parcel for railroad purposes and the right to operate, maintain and repair the track and crossing diamond this Excepted and Reserved Parcel, it being understood that the sole responsibility for maintenance of the crossing diamond will be at the sole cost and expenses of Pioneer Valley Railroad Company, Inc. and if at any time the railroad right of way easement ceases to be used for railroad purposes then the easement and right herein granted shall terminate as if never herein written.

PARCEL 4:

ALL THAT CERTAIN piece or parcel of land, located in Westfield, Hampden County, Massachusetts, Situate on the west side of the railroad right of way in the vicinity of railroad valuation station No. 1870-95.92, as is indicated on the hereinafter described map, and is designated Parcel No. C (Property to be retained by Conrail) on a fragment copy of Railroad Valuation Map No. 9154-011-B-63 and being all the land, right, title and interest of Consolidated Rail Corporation as indicated as Parcel C and by hatched lines on said fragment map as page B-5, which plan is recorded as an exhibit to the June 30, 1982 deed to Pioneer Valley Railroad Company, Inc. referenced above.

EXHIBIT B

PERMITTED ENCUMBRANCES CONCERNING MORTGAGED PREMISES

1. Real Estate Taxes which are not yet due and payable, workers compensation, mechanics common carriers and other statutory liens, and such minor liens, encroachments and encumbrances as do not adversely affect the marketability of the Premises.

EXHIBIT C

FORM OF
COMMERCIAL PROMISSORY NOTE

$_____ September ___, 1998

FOR VALUE RECEIVED,Pinsly Railroad Company, a Delaware corporation having a chief executive principal place of business at 53 Southampton Road, Westfield, Massachusetts, 01085, Florida Central Railroad Company, Inc., a Florida corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts, Florida Midland Railroad Company, Inc., a Florida corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts, Florida Northern Railroad Company, Inc., a Florida corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts, Pioneer Valley Railroad Company, Inc., a Nevada corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts, Arkansas Midland Railroad Company, Inc., a Delaware corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts, Railroad Distribution Services, Inc., a Massachusetts corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts, Railroad Distribution Services, Inc., an Arkansas corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts, and Railroad Distribution Services, Inc., a Florida corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts (collectively hereinafter referred to as the "Borrowers") promise to pay to the order of BankBoston, N.A. (the "Lender"), at Lender's office located at 100 Federal Street, or at such other place as Lender may designate in writing, the principal sum of _____ and 00/100 Dollars ($_____), plus interest from the date hereof, all as hereinafter set forth.

INTEREST

Interest from the date hereof upon the unpaid principal balance from time to time outstanding shall accrue as follows:

(1) For a Base Loan at a rate equal to Base Rate per annum; or

(2) For a LIBOR Loan at a rate equal to the LIBOR Rate, plus one hundred thirty five (135) basis points based upon the interest period selected by the Borrowers and confirmed in writing to Borrowers following Borrowers' request for a LIBOR Loan or conversion to a LIBOR Loan.

REPAYMENT

Principal and interest due Lender hereunder shall be repaid as follows:

A. Commencing one (1) month from the date hereof and thereafter on the same day of each succeeding month for a period of _____ (____) months (and based upon an amortization period of _____ (___) years), equal monthly payments of principal and interest in the amount of $_____.

B. Any remaining unpaid principal, and all accrued interest thereon, shall be due and payable IN FULL ____ (___) years from the date hereof;

Any payments received by Lender with respect to this Note prior to demand, acceleration or maturity shall be applied first to any costs, expenses or charges due Lender from Borrower, second to any unpaid accrued interest hereunder, and third to the unpaid principal hereunder. Any payments received after demand, acceleration or maturity shall be applied in such a manner as Lender shall determine.

If any payment required hereunder is more than ten (10) days past due, (in addition to interest accruing hereunder) a late charge of five (5%) percent of the overdue payment shall be charged to Borrowers and be immediately due and payable to Lender. Any payment having a due date falling upon a Saturday, Sunday, or legal holiday shall be due and payable on the next business day for which Lender is open for business, and interest shall continue to accrue during the extended period.

If any payment received by Lender with respect to this Note shall be deemed by a court of competent jurisdiction to have been a voidable preference or fraudulent conveyance under federal or state law, or otherwise due any party other than Lender, then the obligation for which the payment was made shall not be discharged by the payment and shall survive as an obligation due hereunder, notwithstanding Lender's return to Borrowers or any other party of the original of this Note or other instrument evidencing the obligation for which payment was made.

This Note is the form of Term Election Note referred to in, subject to, and entitled to the benefits of a Loan and Security Agreement dated July __, 1998 between the Borrowers and Lender (the "Loan Agreement"). The terms used herein which are defined in the Loan Agreement shall have their defined meanings when used herein.

Borrowers may prepay this Note only in accordance with the Loan Agreement.

The following described property from Borrower, in addition to all other collateral now or hereafter provided by the Borrowers to Lender, shall secure this Note and all other present or future obligations of the Borrowers to Lender: First security interest in all personal property and chose-in-action of the Borrowers, together with the Collateral and Mortgaged Premises as more fully described in the Loan Agreement.

Any and all deposits or other sums at any time credited by, or due to Borrowers or any endorser or guarantor hereof from, Lender or any of its banking or lending affiliates or any loan participant under any

loan arrangement between Lender and Borrower, and any cash, instruments, securities or other property of Borrower, and of any endorser or guarantor hereof, now or hereafter in the possession of Lender, or any of its banking or lending affiliates or any loan participant under any loan arrangement between Lender and Borrower, whether for safekeeping or otherwise, shall at all times constitute security (and hereby remain subject to a pledge and grant of a security interest by Borrowers and/or any guarantor or endorser hereof) for the payment of this Note and all other obligations, whether now existing or hereafter arising, of Borrowers to Lender and may be applied or set off against such Note or other obligations at any time, whether or not then due.

This Note shall be in default, and all unpaid principal, interest, and other amounts due hereunder, shall, at Lender's option, be immediately due and payable, without prior notice, protest, or demand, upon the occurrence of any one or more of the following events of default (the "Events of Default"): (a) the failure of Borrowers to pay when due any amount due hereunder; (b) the failure of Borrowers to perform any term, covenant or agreement contained in, or the occurrence of a default or event of default under, any other note or any mortgage, loan and/or security agreement, guaranty or other agreement or obligation (whether now existing or hereafter arising, and whether related or unrelated to the loan evidenced hereby), including, without limitation, the Loan Agreement by Borrowers in favor of Lender; (c) Lender's determination that any representation or warranty made at any time by Borrowers to Lender in connection with the loan evidenced hereby was not true or accurate when made or deemed to have been made; (d) the granting of any trust mortgage upon any assets of Borrower, (e) the occurrence of any assignment for the benefit of Borrower's creditors, or the appointment of a custodian, trustee, or receiver with respect to any assets of Borrower, or the filing of any petition by or against Borrowers under the Bankruptcy Reform Act of 1978 (as amended), or any other federal or state law by which Borrowers are or may be relieved from its debts; (f) the failure of Borrowers to pay when due any obligation for borrowed monies or advances, or for the use of real or personal property, or to observe or perform any term, covenant, or agreement evidencing or securing such obligations; (g) there shall occur any material adverse change in the assets, liabilities, financial condition, business or prospects of Borrower, as determined in good faith by Lender; (h) a judgment or order for the payment of money shall be entered against Borrowers by any court, or a warrant of attachment or execution or similar process shall be issued or levied against property of Borrower; (i) the occurrence of any of the foregoing events of default with respect to any guarantor or endorser of any obligation of Borrowers to Lender, including, but not limited to, the breach of, or the occurrence of a default or event of default under, any obligation or agreement by any such guarantor or endorser in favor of Lender; (j) the dissolution, termination of existence, or liquidation of Borrowers (or any co-maker hereof, if any) or any guarantor or endorser of any obligation of Borrowers to Lender; or (k) the revocation or termination of any guaranty in favor of Lender by any guarantor of any obligation of Borrowers to Lender. Default upon this Note shall also operate as a default upon all other obligations of Borrowers to Lender.

Upon the occurrence of an Event of Default hereunder, interest upon the principal balance hereof, and to the extent permitted by law, on any accrued but unpaid interest hereon, shall, at Lender's option, accrue at a rate (the "Default Rate") equal to three percent (3%) above the interest rate in effect hereunder at the time of the Event of Default.

Borrower, and each endorser and guarantor hereof, hereby waives presentment, demand, notice and protest and also waives any delay on the part of the holder hereof. Each also assents to (i) any extension, or other indulgence (including, without limitation, any release or substitution of collateral or of any direct or indirect obligor) permitted by Lender with respect to this Note and/or any collateral given to secure this Note and (ii) any extension or other indulgence, as described above, with respect to any other obligation or any collateral given to secure such other obligation of Borrowers or any endorser or guarantor to Lender. A discharge or release of any party directly or indirectly liable hereon shall not discharge or otherwise affect the liability of any other party directly or indirectly liable hereon.

No indulgence, delay, or omission by Lender in exercising or enforcing any of its rights or remedies hereunder shall operate as a waiver thereof on that occasion nor on any other occasion. No waiver of any default hereunder shall operate as a waiver of any other default hereunder, nor as a continuing waiver. No waiver of a default or of any other right or remedy hereunder, nor any modification of any provision of this Note, shall be enforceable unless it is in writing signed by the party against whom the waiver or modification is to be enforced. All of Lender's rights and remedies hereunder and under any other related loan documents shall be cumulative and may be exercised singularly or concurrently, at Lender's sole and exclusive discretion.

It is not intended under this Note to charge interest at a rate exceeding the maximum rate of interest permitted to be charged under applicable law, but if interest exceeding said maximum rate should be paid hereunder, the excess shall, at Lender's option, be (a) deemed a voluntary prepayment of principal not subject to the prepayment premium (if any) set forth herein or (b) refunded to Borrower.

Borrower, and each endorser and guarantor hereof, jointly and severally agree to pay on demand all costs and expenses, including, but not limited to, reasonable attorneys' fees, incurred by Lender in connection with the protection and/or enforcement of any of Lender's rights or remedies against Borrowers or any such endorser or guarantor (whether or not any suit has been instituted by or against Lender).

This Note shall be binding upon Borrowers and each endorser and guarantor hereof and upon their respective heirs, successors, and representatives, and shall inure to the benefit of Lender and its successors, endorsees and assigns.

The liabilities of the Borrowers (and each co-maker, if any), and any endorser or guarantor hereof, are joint and several. Each reference in this Note to the Borrower, any endorser and any guarantor, is to such maker, co-maker (if any), endorser and guarantor, individually, as well as collectively. No party obligated on account of this Note may seek contribution from any other party also obligated unless and until all obligations to Lender of the party to whom contribution is sought have been satisfied in full. Each reference to Lender herein is to the named payee hereto or any subsequent holder hereof, and their respective successors, endorsees and assigns.

Borrowers represent to Lender that the proceeds of this Note will not be used for personal, family or household purposes and that this loan is strictly a commercial transaction.

BORROWERS, AND EACH ENDORSER AND GUARANTOR HEREOF, HEREBY EXPRESSLY WAIVE ALL RIGHTS TO A TRIAL BY JURY WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE RELATING, DIRECTLY OR INDIRECTLY, TO THIS NOTE AND/OR OTHER LOAN DOCUMENTS (IF ANY) EXECUTED IN CONNECTION HEREWITH AND ALSO SUBMIT TO THE JURISDICTION OF THE COURTS OF THE COMMONWEALTH OF MASSACHUSETTS (AND THE FEDERAL COURTS SITUATED THEREIN) WITH RESPECT TO ALL CLAIMS CONCERNING THIS NOTE AND/OR ANY COLLATERAL SECURING THEIR RESPECTIVE LIABILITIES TO LENDER.

This Note shall be governed by the laws of the Commonwealth of Massachusetts, without regard to its principles of conflicts of laws, and shall take effect as a sealed instrument.

Signed under seal as of the day and year first above written.

PINSLY RAILROAD COMPANY

_____ BY:_____
Witness Its duly authorized (seal)

FLORIDA CENTRAL RAILROAD COMPANY, INC.

_____ BY:_____
Witness Its duly authorized (seal)

FLORIDA MIDLAND RAILROAD COMPANY, INC.

_____ BY:_____
Witness Its duly authorized (seal)

FLORIDA NORTHERN RAILROAD COMPANY, INC.

_____ BY:_____
Witness Its duly authorized (seal)

PIONEER VALLEY RAILROAD COMPANY, INC.

_____ BY:_____
Witness Its duly authorized (seal)

ARKANSAS MIDLAND RAILROAD COMPANY, INC.

_____ BY:_____

Witness Its duly authorized (seal)

RAILROAD DISTRIBUTION SERVICES, INC. (MASSACHUSETTS)

_____ BY:_____

Witness Its duly authorized (seal)

RAILROAD DISTRIBUTION SERVICES, INC. (ARKANSAS)

_____ BY:_____

Witness Its duly authorized (seal)

RAILROAD DISTRIBUTION SERVICES, INC. (FLORIDA)

_____ BY:_____

Witness Its duly authorized (seal)

REVOLVING LINE-OF-CREDIT
MAXIMUM $5,000,000.00

REVOLVING LINE OF CREDIT NOTE

AFTER DATE, FOR VALUE RECEIVED, the Undersigned,Pinsly Railroad Company, a Delaware corporation having a chief executive principal place of business at 53 Southampton Road, Westfield, Massachusetts, 01085, Florida Central Railroad Company, Inc., a Florida corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts, Florida Midland Railroad Company, Inc., a Florida corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts, Florida Northern Railroad Company, Inc., a Florida corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts, Pioneer Valley Railroad Company, Inc., a Nevada corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts, Arkansas Midland Railroad Company, Inc., a Delaware corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts, Railroad Distribution Services, Inc., a Massachusetts corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts, Railroad Distribution Services, Inc., an Arkansas corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts, and Railroad Distribution Services, Inc., a Florida corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts (collectively hereinafter referred to as the "Borrowers"), jointly and severally, promise to pay to the order of BankBoston, N.A., a national banking association duly organized under the laws of the United States of America ("Lender"), having a usual place of business at 100 Federal Street, Boston, Massachusetts, or order, the maximum principal sum of Five Million and 00/100 Dollars ($5,000,000.00), or the (then) current balance of Borrower's loans now existing, refinanced hereby, or made to it on or after the date hereof, by the Lender, from time-to-time ("Principal Sum"), as reflected by the books, records and ledgers of the Lender ("Loan Account") upon loans made on or after the date hereof pursuant to a Loan and Security Agreement of even date herewith (the "Loan Agreement"), as well as all other obligations of Borrowers pursuant to this Note which may at any time be due to Lender (if such balances or obligations are other than Five Million and 00/100 Dollars ($5,000,000.00)), together with interest thereon in arrears, calculated daily and payable monthly on the outstanding and unpaid principal amount of the Revolving Line of Credit Loans during the preceding month at a rate per annum as follows:

(1) for a Base Loan at a rate equal to Base Rate per annum; or

(2) for a LIBOR Loan at a rate equal to the LIBOR Rate, plus one hundred thirty five (135) basis points based upon the Interest Period selected by Borrowers and confirmed in writing to Borrowers

following Borrowers' request for a LIBOR Loan or a conversion to a LIBOR Loan.

At all times, the amount of the Borrowers' available line of credit hereunder shall remain solely within the discretion of the Lender (in accordance with the Loan Agreement) which may elect to grant or refuse any request for extension of credit to the Borrowers without prior notice to the Borrowers or any endorser(s) or guarantor(s) hereof. This Note is the Revolving Line of Credit Note referred to in, and is subject to, and entitled to, the benefits of the Loan Agreement between Borrowers and the Lender. The terms used herein which are defined in the Loan Agreement shall have their defined meanings when used herein. The Loan Agreement, among other things, contains provisions for acceleration of the maturity of this Note upon the happening of certain stated events.

This Note may be prepaid only in accordance with the provisions set forth in the Loan Agreement.

The Lender may, in its sole discretion, and notwithstanding execution of this Note by Borrowers in its stated maximum Principal Sum, act to advance lesser sums thereon to Borrowers in amounts, and at times as it determines in its sole and exclusive discretion, but in accordance with the Loan Agreement.

However, nothing herein shall be construed to restrict the Lender, in its sole and exclusive discretion, from making advances in excess of the stated maximum dollar amount, without requirement of execution of additional promissory note(s), or otherwise modifying this Note, and its so doing at any time, or times, shall not waive its rights to insist upon strict compliance with the terms of this Note, the Loan Agreement, or any other instruments executed in connection with this financial transaction, at any other time, and to further rely upon all collateral secured to it for satisfaction of all obligations of the Borrowers to the Lender, without exception.

Borrowers, and any endorsers or guarantors hereof agree that the Lender may, at its sole and exclusive discretion, make loan advances to the Borrowers upon verbal, or written, authority of any person holding him, or herself, out as authorized so to act on behalf of the Borrowers; may deliver loan proceeds by direct deposit to any demand deposit account of the Borrowers with the Lender, or otherwise, as so directed; and that all such loans and advances as evidenced solely by the Lender's books, ledgers and records shall conclusively represent binding obligations of the Borrowers hereunder.

The Bank shall also record as a debit to the Borrowers' Loan Account, in accordance with its customary accounting practice, all other obligations, debts, charges, expenses, and other items properly chargeable to the Borrowers; and shall credit all payments made by the Borrowers on account of indebtedness evidenced by the Borrowers' Loan Account; as well as all proceeds of collateral which are finally paid to the Bank at its own office in cash or solvent credits; and other appropriate debits and credits. The principal balance of the Borrowers' Loan Account shall reflect the amount of the Borrowers' indebtedness to the Bank from time-to-time by reason of loans and

other appropriate charges hereunder. At least once each month the Bank shall render a statement of account for the Borrowers' Loan Account which statement shall be considered correct and accepted by the Borrowers and conclusively binding upon the Borrower, unless the subject of written objection received by Lender, certified mail, return receipt requested, within ten (10) days after mailing of its statement to Borrower.

Borrowers do hereby irrevocably grant to the Lender, full power and authority, at its discretion, to debit any deposit account of the Borrowers with the Lender for the amount of any monthly interest owing on Borrower's loan account referred to herein; for the amount of any principal reduction, or for any repayment of obligations due upon Borrower's loan account which the Lender may require, all without prior notice, or demand upon the Borrower.

Any payments received by Lender with respect to this Note shall be applied first to any costs, charges, or expenses (including attorney's fees) due Lender from the Borrower, second to any unpaid interest hereunder, and third to the unpaid Principal Sum.

If any payment required hereunder is more than Ten (10) days overdue, (in addition to the interest accruing hereunder) a late charge of Five (5%) Per Cent of the overdue payment shall be charged to the Borrowers and be immediately due and payable to Lender. Any payment having a due date falling upon a Saturday, Sunday, or legal holiday shall be due and payable on the next business day for which Lender is open for business, and interest shall continue to accrue during any such period.

If any payment received by Lender with respect to this Note shall be deemed by a court of competent jurisdiction to have been a voidable preference or fraudulent conveyance under federal or state law, or otherwise due any party other than Lender, then the obligation for which the payment was made shall not be discharged by the payment and shall survive as an obligation due hereunder, notwithstanding the Lender's return to the Borrowers or any other party of the original of this Note or other instrument evidencing the obligation for which payment was made.

Interest hereunder shall be computed in accordance with the Loan Agreement. Upon the occurrence of a default hereunder, interest upon the total unpaid principal hereunder shall thereafter, at Lender's option, without notice to Borrower, or to any guarantor or endorser hereof, and until payment in full of all obligations hereunder, accrue at a rate ("Default Rate") equal to three percent (3%) above the interest rate then in effect hereunder at the time of default.

It is not intended under this Note to charge interest at a rate exceeding the maximum rate of interest permitted to be charged under applicable law, but if interest exceeding said maximum rate should be paid hereunder, the excess shall, at Lender's option, be (a) deemed a voluntary prepayment of principal not subject to the prepayment premium (if any) set forth herein or (b) refunded to the Borrowers.

The following described property, in addition to all other collateral now or hereafter provided

by the Borrowers to Lender, shall secure this Note and all other present or future obligations of the Borrowers to Lender: First security interest in all personal property and chose-in-action of the Borrowers, together with the Collateral and Mortgaged Premises as described more fully in the Loan Agreement.

As additional collateral for the payment and performance of this Note and all other obligations, whether now existing or hereafter arising, of the Borrowers to Lender, Lender shall at all times have and is hereby granted a security interest in and right of offset against all cash, deposit balances and/or accounts, instruments, securities, or other property of the Borrower, and of any endorser or guarantor hereof, now or hereafter in the possession of Lender, whether for safekeeping or otherwise. This right of offset shall permit Lender at any time, after default, and without notice to the Borrowers or any endorser or guarantor hereof, to transfer such funds or property as may be deemed by Lender to be appropriate so as to reduce or satisfy any obligation of the Borrowers to the Bank.

The total unpaid principal under this Note, and all accrued interest thereon, shall, at all times remain immediately due and payable at the earlier of the Expiration Date or upon the occurrence of an Event of Default as described in the Loan Agreement.

The Borrowers, and each endorser and guarantor hereof, respectively (a) waive presentment, demand, notice, protest, and delay in connection with the delivery, acceptance, performance, collection, and enforcement of this Note, and (b) assent to any extension, renewal, modification, or other indulgence permitted by Lender with respect to this Note, including, without limitation, any release, substitution, or addition of co-makers, endorsers, or guarantors of this Note and any release, substitution, or addition of collateral securing this Note or any other obligations of the Borrower, or any such endorsers or guarantors, to Lender, and (c) authorize Lender, in its sole and exclusive discretion and without notice to the Borrower, or any endorser or guarantor hereof, to complete this Note if delivered incomplete in any respect.

No indulgence, delay, or omission by Lender in exercising or enforcing any of its rights or remedies hereunder shall operate as a waiver of any such rights or remedies or of the right to exercise them at any later time. No waiver of any default hereunder shall operate as a waiver of any other default hereunder or as a continuing waiver. The Lender's acceptance of any payment hereunder, following any default, shall not constitute a waiver of such default or of any of the Lender's rights or remedies hereunder (including charging interest at the Default Rate), unless waived in writing by Lender.

All of the Lender's rights and remedies hereunder and under any other loan documents, or instruments, shall be cumulative and may be exercised singularly or concurrently, at the Lender's sole and exclusive discretion.

The Borrowers, and each endorser and guarantor hereof, jointly and severally agree to pay on demand all costs and expenses, including, but not limited to, reasonable attorney's fees, incurred

by Lender in connection with the protection and/or enforcement of any of Lender's rights or remedies hereunder, whether or not any suit has been instituted by Lender.

The word "Lender" where used herein shall mean the named payee, its successors, assigns, affiliates, and endorsees (and/or the holder of this Note if, at any time, it is made payable to bearer), all of whom this Note shall inure to their benefit as holders in due course.

The words "Base Rate" as used herein shall mean that rate of interest as is established and announced as such from time-to-time by Lender at its main office. From time-to-time, said rate may change, whereupon the interest rate charged hereunder may change, effective such dates as Lender shall determine in its sole discretion, all without requirement of prior notice thereof to the Borrowers or to any endorser or guarantor hereof.

The word "Borrowers" where used herein includes any and all makers and co-makers hereof, and their respective heirs, successors, assigns, and representatives, all of whom, along with each endorser and guarantor of this Note, and their respective heirs, successors, assigns, and representatives, shall be jointly and severally liable hereunder. Any reference herein to the Borrower, or to any endorser or guarantor hereof, is a reference to such party or parties individually as well as collectively.

The use of masculine or neuter genders hereunder shall be deemed to include the feminine, and the use of the singular or the plural herein shall be deemed to include the other, as the context may require.

The Borrowers represent that the proceeds of this Note will not be used for personal, family, or household purposes and that this loan is strictly a commercial transaction.

This Note shall be governed by the laws of the Commonwealth of Massachusetts, and the Borrowers, and each endorser and guarantor hereof, submit to the jurisdiction of its courts with respect to all claims concerning this Note or any collateral securing it.

ALL PARTIES TO THIS NOTE, INCLUDING LENDER, AND AS A NEGOTIATED PART OF THIS TRANSACTION, HEREBY EXPRESSLY WAIVE ALL RIGHTS TO TRIAL BY JURY, AS TO ALL ISSUES, INCLUDING ANY COUNTERCLAIMS, WITHOUT EXCEPTION, IN ANY ACTION OR PROCEEDING RELATING, DIRECTLY OR INDIRECTLY, TO THIS NOTE AND/OR OTHER INSTRUMENTS OR LOAN DOCUMENTS (IF ANY) EXECUTED IN CONNECTION HEREWITH.

This Note constitutes a final written expression of all of its terms and is a complete and exclusive statement of those terms. Any modification or waiver of any of these terms must be in writing signed by the party against whom the modification or waiver is to be enforced.

The Borrowers, and each endorser and guarantor hereof, agree to be bound by the terms of

this Note and acknowledge receipt of a signed copy hereof.

Signed as a sealed instrument this 23rd day of September, 1998.

Witness

PINSLY RAILROAD COMPANY

BY: _____
Its duly authorized (seal)

Witness

FLORIDA CENTRAL RAILROAD COMPANY, INC.

BY: _____
Its duly authorized (seal)

Witness

FLORIDA MIDLAND RAILROAD COMPANY, INC.

BY: _____
Its duly authorized (seal)

Witness

FLORIDA NORTHERN RAILROAD COMPANY, INC.

BY: _____
Its duly authorized (seal)

Witness

PIONEER VALLEY RAILROAD COMPANY, INC.

BY: _____
Its duly authorized (seal)

Witness

ARKANSAS MIDLAND RAILROAD COMPANY, INC.

BY: _____
Its duly authorized (seal)

RAILROAD DISTRIBUTION SERVICES, INC. (MASSACHUSETTS)

Witness

BY: _____
Its duly authorized (seal)

RAILROAD DISTRIBUTION SERVICES, INC. (ARKANSAS)

Witness

BY: _____
Its duly authorized (seal)

RAILROAD DISTRIBUTION SERVICES, INC. (FLORIDA)

Witness

BY: _____
Its duly authorized (seal)

GUARANTY

This GUARANTY, dated as of September ___, 1998, is given by _____, of _____ _____ (the "Guarantor") in favor of BankBoston, N.A., a national banking association organized under the laws of the United States of America, located at 100 Federal Street, Boston, Massachusetts (the "Lender"), to induce Lender to give, in its discretion, time, credit or other banking facilities or accommodations to Pinsly Railroad Company, a Delaware corporation having a chief executive principal place of business at 53 Southampton Road, Westfield, Massachusetts, 01085, Florida Central Railroad Company, Inc., a Florida corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts, Florida Midland Railroad Company, Inc., a Florida corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts, Florida Northern Railroad Company, Inc., a Florida corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts, Pioneer Valley Railroad Company, Inc., a Nevada corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts, Arkansas Midland Railroad Company, Inc., a Delaware corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts, Railroad Distribution Services, Inc., a Massachusetts corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts, Railroad Distribution Services, Inc., an Arkansas corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts, and Railroad Distribution Services, Inc., a Florida corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts (collectively hereinafter referred to as the "Borrowers"). In consideration of the foregoing, Guarantor agrees as follows:

1. Guaranty of Payment and Performance. Guarantor hereby (jointly and severally with all other guarantors, if any) guarantees to Lender the full and punctual payment when due (whether at maturity, by acceleration or otherwise), and the performance, of all liabilities, agreements and other obligations of Borrowers to Lender of every kind, nature and description (whether by way of discount, letters of credit, lease, loan, overdraft or otherwise), whether now existing or hereafter arising, direct or indirect, absolute or contingent, due or to become due, secured or unsecured, and including, without limitation, all costs and expenses incurred by Lender in attempting to collect or enforce any of the foregoing, (collectively the "Obligations"). This Guaranty is an absolute, unconditional and continuing guaranty of the full and punctual payment and performance of the Obligations and not of their collectibility only and is in no way conditioned upon any requirement that Lender first attempt to collect any of the Obligations from Borrowers or resort to any security or other means of obtaining their payment. Guarantor agrees that the Obligations will be paid and performed strictly in accordance with their respective terms (as amended from time-to-time) regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of Lender with respect thereto. Should Borrowers default in the payment or performance of any of the Obligations, the liabilities and obligations of Guarantor hereunder shall

become immediately due and payable to Lender, without demand or notice of any nature, all of which are expressly waived by Guarantor. Payment and performance by Guarantor hereunder may be required by Lender on any number of occasions.

2. Guarantor's Further Agreement to Pay. Guarantor further agrees, as the principal obligor and not as a guarantor only, to pay to Lender, on demand, all costs and expenses (including, without limitation, court costs and reasonable attorneys' fees) incurred or expended by Lender in connection with the Obligations, this Guaranty and the enforcement thereof, together with interest on all amounts recoverable under this Guaranty, from the time such amounts become due until payment, at the rate per annum equal to the highest rate of interest charged with respect to any of the Obligations.

3. General Waivers. Guarantor waives: (a) notice of acceptance hereof by Lender; (b) presentment, demand and protest with respect to the Obligations and this Guaranty; (c) notice of Obligations incurred or default upon any of the Obligations, and all other notices of any kind; (d) all defenses which may be available by virtue of any statute of limitations, valuation, stay, moratorium law or other similar law now or hereafter in effect; (e) any right to require the marshalling of assets of Borrowers ; (f) all homestead rights, protections and exemptions; and (g) all suretyship defenses generally.

4. Lender's Freedom to Act. Lender may, without giving notice to or obtaining the assent of Guarantor and without relieving Guarantor of any liability hereunder, deal with Borrowers or any other party now or hereafter liable upon any of the Obligations, in such manner as Lender in its sole discretion deems appropriate, and in this regard, Guarantor agrees that the obligations of Guarantor hereunder shall not be released or discharged, in whole or in part, or otherwise affected by (a) the failure of Lender to assert any claim or demand or to enforce any right or remedy against Borrowers , (b) any extensions or renewals of any of the Obligations, (c) any rescissions, waivers, amendments or modifications of any of the terms or provisions of any agreement evidencing, securing or otherwise executed in connection with any of the Obligations, (d) the substitution or release of any party primarily or secondarily liable for any of the Obligations, (e) the adequacy of any rights Lender may have against any collateral or other means of obtaining repayment of the Obligations, (f) the impairment of any collateral securing any of the Obligations, including, without limitation, the failure to perfect or preserve any rights Lender might have in such collateral or the substitution, exchange, surrender, release, loss or destruction of any such collateral, or (g) any other act or omission which might in any manner or to any extent vary the risk of Guarantor or otherwise operate as a release or discharge of Guarantor, all of which may be done without notice to or assent from Guarantor.

5. Unenforceability Of Obligations Against Borrowers . If for any reason Borrowers have no legal existence or is under no legal obligation to discharge any of the Obligations, or if any of the Obligations have become irrecoverable from Borrowers by operation of law or for any other reason, this Guaranty shall nevertheless be binding on Guarantor to the same extent as if Guarantor at all times had been the principal obligor on all such Obligations. In the event that acceleration of

the time for payment of any of the Obligations is stayed upon the insolvency, bankruptcy or reorganization of Borrowers , or for any other reason, all such amounts otherwise subject to acceleration under the terms of any agreement evidencing, securing or otherwise executed in connection with any of the Obligations shall be immediately due and payable by Guarantor.

6. Subrogation. Guarantor also waives any and all rights of subrogation, reimbursement, indemnity, contribution or the like which Guarantor might at any time have against Borrowers as a result of any payment by Guarantor to Lender hereunder; unless Lender otherwise agrees, such waiver by Guarantor shall not be effective to the extent that, by virtue of such waiver, Guarantor's liability to Lender hereunder is rendered invalid, voidable or unenforceable under any applicable federal or state laws dealing with the recovery or avoidance of so called "fraudulent conveyances", or otherwise. Until the payment and performance in full of the Obligations and any and all obligations of Borrowers to any affiliate of Lender, Guarantor will not claim any set-off or counterclaim against Borrowers in respect of any liability of Guarantor to Borrowers , and Guarantor waives any recourse against any collateral which may be held by Lender or any such affiliate.

7. Debt Subordination. The payment of any amounts due with respect to any indebtedness of Borrowers now or hereafter held by Guarantor is hereby subordinated to the prior payment in full of the Obligations, and Guarantor agrees that, in the absence of Lender's prior written consent, Guarantor will not demand, accept or sue for any payment upon, or otherwise attempt to collect, any such indebtedness of Borrowers to Guarantor until the Obligations shall have been paid in full. If, notwithstanding the foregoing, Guarantor shall, without Lender's prior written consent, collect, enforce or receive any amounts in respect of such indebtedness, such amounts shall be collected, enforced and received by Guarantor as trustee for Lender and be paid over to Lender on account of the Obligations without affecting in any manner the liability of Guarantor under the other provisions of this Guaranty.

8. Security; Set-Off. Any and all deposits or other sums at any time credited by, or due to Guarantor from, Lender or any of its banking or lending affiliates or any loan participant under any loan arrangement between Lender and Guarantor, and any cash, instruments, securities or any other property of Guarantor, now or hereafter in the possession of Lender, or any of its banking or lending affiliates or any loan participant under any loan arrangement between Lender and Guarantor, whether for safe-keeping or otherwise, shall at all times constitute security (and hereby remain subject to a pledge and grant of security interest by Guarantor) for the payment of this Guaranty and all other obligations, whether now existing or hereafter arising, of Guarantor to Lender and may be applied or set-off against any of such obligations, whether or not then due.

9. Collateral. The following described property from Guarantor, in addition to all other collateral now or hereafter provided by Guarantor to Lender, shall secure all obligations of Guarantor upon this Guaranty and all other present and future obligations of Guarantor to Lender: First security interest in all personal property and chose-in-action of Guarantor.

10. Term; Reinstatement. The obligations of Guarantor hereunder shall continue until

full payment is made of all of the Obligations and of all obligations and liabilities of Guarantor hereunder. This Guaranty shall continue to be effective or reinstated, notwithstanding any return by Lender to Guarantor of the original of this Guaranty, if at any time any payment made or value received with respect to any of the Obligations or any of the obligations of Guarantor upon this Guaranty is rescinded or must otherwise be returned by Lender upon the insolvency, bankruptcy or reorganization of Borrowers or Guarantor, or otherwise, all as though such payment had not been made or such value not received.

11. Governing Law; Successors and Assigns. This Guaranty is intended to take effect as a sealed instrument, shall be governed by, and construed and in accordance with, the laws of the Commonwealth of Massachusetts, shall be binding upon Guarantor and Guarantor's heirs, executors, administrators, successors and assigns, shall inure to the benefit of Lender and Lender's successors and assigns, and shall apply to all Obligations of Borrowers and any successor to Borrowers, including any successor by operation of law.

12. Amendments and Waivers. No amendment or waiver of any provision of this Guaranty nor consent to any departure by Guarantor therefrom shall be effective unless the same shall be in writing and signed by Lender. No failure on the part of Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right.

13. CONSENT TO JURISDICTION; JURY WAIVER. GUARANTOR HEREBY EXPRESSLY WAIVES ALL RIGHTS TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE RELATING, DIRECTLY OR INDIRECTLY, TO ANY OF THE OBLIGATIONS AND/OR THIS GUARANTY.

THE GUARANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY (A) SUBMITS TO PERSONAL JURISDICTION IN THE COMMONWEALTH OF MASSACHUSETTS OVER ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS, AND (B) WAIVES ANY AND ALL PERSONAL RIGHTS UNDER THE LAWS OF ANY STATE (I) TO THE RIGHT, IF ANY, TO TRIAL BY JURY, (II) TO OBJECT TO JURISDICTION WITHIN THE COMMONWEALTH OF MASSACHUSETTS OR VENUE IN ANY PARTICULAR FORUM WITHIN THE COMMONWEALTH OF MASSACHUSETTS, AND (III) TO THE RIGHT, IF ANY, TO CLAIM OR RECOVER ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN ACTUAL DAMAGES. THE GUARANTOR AGREES THAT, IN ADDITION TO ANY METHODS OF SERVICE OF PROCESS PROVIDED FOR UNDER APPLICABLE LAW, ALL SERVICE OF PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING MAY BE MADE BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED DIRECTED TO THE GUARANTOR AT THE ADDRESS SET FORTH ON PAGE 1 HEREOF, AND SERVICE SO MADE SHALL BE COMPLETE FIVE (5) DAYS AFTER THE SAME SHALL BE SO MAILED. NOTHING

CONTAINED HEREIN, HOWEVER, SHALL PREVENT THE LENDER FROM BRINGING ANY SUIT, ACTION OR PROCEEDING OR EXERCISING ANY RIGHTS AGAINST ANY COLLATERAL AND AGAINST THE GUARANTOR, AND AGAINST ANY PROPERTY OF THE GUARANTOR, IN ANY OTHER STATE. INITIATING SUCH SUIT, ACTION OR PROCEEDING OR TAKING SUCH ACTION IN ANY STATE SHALL IN NO EVENT CONSTITUTE A WAIVER OF THE AGREEMENT CONTAINED HEREIN THAT THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS SHALL GOVERN THE RIGHTS AND OBLIGATIONS OF THE GUARANTORS AND THE LENDER HEREUNDER OR THE SUBMISSION HEREIN BY THE GUARANTOR TO PERSONAL JURISDICTION WITHIN THE COMMONWEALTH OF MASSACHUSETTS.

14. Miscellaneous. This Guaranty constitutes the entire agreement of Guarantor with respect to the matters set forth herein. The rights and remedies herein provided are cumulative and not exclusive of any remedies provided by law or any other agreement, and this Guaranty shall be in addition to, and not in substitution of, any other guaranty or security for the Obligations. The invalidity or unenforceability of any one or more sections of this Guaranty shall not affect the validity or enforceability of its remaining provisions. Captions are for the ease of reference only and shall not affect the meaning of the relevant provision. The meaning of all defined terms used in this Guaranty shall be equally applicable to the singular and plural forms of the terms defined.

Executed under seal and delivered as of the date first above written.

_____ _____

Witness

SOLVENCY CERTIFICATE

Pinsly Railroad Company, a Delaware corporation having a chief executive principal place of business at 53 Southampton Road, Westfield, Massachusetts, 01085, Florida Central Railroad Company, Inc., a Florida corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts, Florida Midland Railroad Company, Inc., a Florida corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts, Florida Northern Railroad Company, Inc., a Florida corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts, Pioneer Valley Railroad Company, Inc., a Nevada corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts, Arkansas Midland Railroad Company, Inc., a Delaware corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts, Railroad Distribution Services, Inc., a Massachusetts corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts, Railroad Distribution Services, Inc., an Arkansas corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts, and Railroad Distribution Services, Inc., a Florida corporation having a chief executive principal office c/o Pinsly Railroad Company, 53 Southampton Road, Westfield, Massachusetts (collectively hereinafter referred to as the "Borrowers"), hereby certify that the persons executing this Certificate are the chief financial officers of the Borrowers and are duly authorized to execute this Certificate on behalf of the Borrowers. This Certificate is being delivered pursuant to a Loan and Security Agreement of even date herewith (the "Loan Agreement") and executed by and between the Borrower and BankBoston, N.A., a national banking association with a usual place of business at 100 Federal Street, Boston, Massachusetts (the "Lender"). All capitalized terms used, which are not otherwise defined herein, shall have the meanings attributed to such terms in the Loan Agreement.

The Borrowers further certify that the persons executing this Certificate have carefully reviewed the Loan Documents and the contents of the this Certificate and in connection with the execution and delivery hereof, have made such investigation and inquiries as the Borrowers deem necessary and prudent.

The Borrowers further certify that the financial information, assumptions and valuations techniques which underlie and form the basis of the representations made in this Certificate were reasonable when made and were made in good faith and continue to be reasonable as of the date hereof.

The Borrowers understand that the Lender relies on the representations contained in this Certificate in connection with the transactions (as hereinafter defined) contemplated by the Loan Documents.

The Borrowers hereby further certify that:

1. Attached hereto as Exhibit "A" are pro forma projections of revenues, operating expenses and cash flows of the corporation for the calendar year 1998 (the "Projected Cash Flows"), which give effect to the funding of the Loans and the consummation of all other transactions contemplated by the Loan Agreement (all of the foregoing collectively being referred to as the "Transactions"), and the payment of all fees and expenses in connection therewith. The assumptions made in preparing the Projected Cash Flows are reasonable. The Projected Cash Flows provide reasonable estimations of future performance, subject to the uncertainty and approximation inherent in any projections. Also included in Exhibit "A" are pro forma balance sheets of the Borrowers as of the closing date. The "Pro Forma Balance Sheets" determined after giving effect to the Transactions and the payment of all fees and expenses in connection therewith. The Pro Forma Balance Sheets fairly present the contingent liabilities (as defined below) as of the date hereof.

2. On the date hereof, after giving effect to the Transactions and the payment of the fees and expenses in connection therewith, the undersigned in good faith, after due inquiry, represents and warrants that:

(a) the fair market going concern value of all of the assets of the Borrowers are greater than the total amount of the liabilities, including contingent, subordinated, absolute, fixed, matured and unmatured and liquidated, or unliquidated liabilities of the Borrowers;

(b) the present fair market going concern value of the assets of the Borrowers are sufficient to pay the probable liability of the Borrowers on their existing debts as such debts become absolute and matured;

(c) the Borrowers are able to pay its debts and other liabilities, contingent obligations and other commitments as they mature in the normal course of business; and

(d) the Borrowers are not engaged, or about to engage, in business or transactions for which they have unreasonably small capital.

3. The Borrowers do not intend to, or believes that it will incur debts or liabilities that will be beyond its ability to pay the same as they mature.

4. In consummating the Transactions, the Borrowers do not intend to hinder, delay or defraud either present or future creditors or any other person to which they are or will become indebted on or after the date hereof.

5. In reaching the conclusions set forth in this Certificate, the Borrowers have considered among other things:

(a) the cash and other current assets of the Borrowers reflected in the Pro Forma Balance Sheets;

(b) all contingent liabilities of the Borrowers, including, without limitation, claims arising out of pending or threatened litigation against the Borrowers, and in so doing, the undersigned has computed the amount of such liabilities as the amount which, in light of all the facts and circumstances existing on the date hereof, represents the amount that reasonably can be expected to become an actual or mature liability (the "Contingent Liabilities");

(c) the Projected Cash Flows; and

(d) such other financials, statistical and other data as the chief financial officers have determined necessary for the purposes of this Certificate.

IN WITNESS WHEREOF, the undersigned has executed this Certificate the 23rd day of September, 1998.

PINSLY RAILROAD COMPANY

Witness

BY: _____
Its duly authorized (seal)

FLORIDA CENTRAL RAILROAD COMPANY, INC.

Witness

BY: _____
Its duly authorized (seal)

FLORIDA MIDLAND RAILROAD COMPANY, INC.

Witness

BY: _____
Its duly authorized (seal)

FLORIDA NORTHERN RAILROAD COMPANY, INC.

Witness

BY: _____
Its duly authorized (seal)

PIONEER VALLEY RAILROAD COMPANY, INC.

Witness

BY: _____
Its duly authorized (seal)

ARKANSAS MIDLAND RAILROAD COMPANY, INC.

Witness

BY: _____
Its duly authorized (seal)

RAILROAD DISTRIBUTION SERVICES, INC. (MASSACHUSETTS)

Witness

BY: _____
Its duly authorized (seal)

RAILROAD DISTRIBUTION SERVICES, INC. (ARKANSAS)

Witness

BY: _____
Its duly authorized (seal)

RAILROAD DISTRIBUTION SERVICES, INC. (FLORIDA)

Witness

BY: _____
Its duly authorized (seal)

Fle. Projections

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
744	**INCOME STATEMENT**	**Pinsly Railroad Company and Subsidiaries**													4 MON ACT	1998	Var.
745	**FORECAST APRIL 1998**														PLUS 8	Budget	
746		AMR	FCR	FMR	FNR	FL CON	PVR	RAR	RFL	RMA	PIN					TOTAL	
747	Revenue:																
748	Freight	3,085,912	2,091,017	990,391	501,038	3,582,446	809,143								7,477,501	8,026,673	(549,172)
749	Surcharge	64,850	(1,500)			(1,500)									63,350	63,000	350
750	Switching	26,080	1,622	2,775	336	4,733	25,285								56,098	43,683	12,415
751	Demurrage	26,246	16,570	26,240	1,100	43,910	35,010								105,166	46,821	58,345
752	Trucking							95,335	180,487	503,618					779,440	540,090	239,350
753	Storage						180	2,526	36,340	16,055					55,101	46,848	8,253
754	Meals																
755	Liquor																
756	Gift Certificates																
757	Other																
758																	
759	Unloading/Handling							89,600	193,286	306,800					589,686	437,346	152,340
760	Total Trans. Revenue	3,203,088	2,107,709	1,019,406	502,474	3,629,589	869,618	187,461	410,113	826,473					9,126,342	9,204,461	(78,119)
761																	
762	Greenbrier Lease Revenue	113,003													113,003	120,000	(6,997)
763	Misc Car Repair Revenue	232,445													232,445	338,800	(106,355)
764	Wizard Car Repair Revenue	22,457													22,457	168,000	(145,543)
765	Misc. Oper. Income	61,297	309,769	8,462	25,194	343,425	70,790			14,251	2,300				492,063	206,631	285,432
766	Contract Income	29,990	296,830	95,110	58,793	450,733	84,863				39,845				605,431	602,598	2,833
767																	
768	Total Revenue	3,662,280	2,714,308	1,122,978	586,461	4,423,747	1,025,271	187,461	410,113	840,724	42,145				10,591,741	10,640,490	(48,749)
769																	
770	Operating Expenses:																
771	Transportation	1,179,894	590,499	371,365	185,681	1,147,545	403,039	90,827	135,109	412,454					3,368,868	3,141,484	227,384
772	Maint. of Way	638,441	403,717	101,110	92,847	597,674	162,216								1,398,331	1,427,406	(29,075)
773	Maint. of Equipment	419,160	100,493	139,250	45,243	284,986	124,069								828,215	860,336	(32,121)
774	Railcar Repair	189,938													189,938	398,876	(208,938)
775	Dinner Car		4,308			4,308									4,308	3,976	332
776	Warehouse							43,352	207,377	267,017					517,746	401,452	116,294
777	Spare																
778	General & Admin.	347,689	341,136	120,033	71,558	532,727	140,817	28,184	147,863	94,518	1,495,635				2,787,433	2,746,298	41,135
779	Marketing	109,043	75,286	18,564	13,140	106,990									216,033	183,585	32,448
780																	
781																	
782												Accidents 180,000					
783	Deprec. & Amort.	264,254	248,260	45,780	32,832	326,872	114,406	5,907	9,852	27,132	28,740				777,163	779,153	(1,990)
784	Total Operating Expenses	3,148,420	1,763,699	796,102	441,301	3,001,102	944,547	168,270	500,201	801,121	1,524,375				10,088,036	9,942,566	145,470
785																	
786																	
787	Operating Income(Loss)	513,860	950,609	326,876	145,160	1,422,645	80,724	19,191	(90,088)	39,603	(1,482,230)				503,705	697,924	(194,219)
788																	
789	Other (Income)Expenses:																
790	Corporate Charge	202,010	269,360	269,360	67,340	606,060	269,360		134,681	134,681	(1,346,792)						
791	Interest Income	(4,552)	(16,533)	(3,589)	(3,461)	(23,583)	(5)	(832)	(4,177)		(7,199)				(40,348)	(47,268)	6,920
792	Other NonOper. Income	(12,299)	(27,553)	(41,321)	(66)	(68,940)					(4,316)				(85,555)	(8,604)	(76,951)
793	Interest Expense		23,871	22,113		45,984					15,625				61,609	45,405	16,204
794	Other NonOper. Expense		220			220									220		220
795																	
796																	
797																	
798																	
799	Total Other (Income)Exp.	185,159	249,365	246,563	63,813	559,741	269,355	(832)	130,504	134,681	(1,342,682)				(64,074)	(10,467)	(53,607)
800																	
801																	
802	Pretax Income(Loss)	328,701	701,244	80,313	81,347	862,904	(188,631)	20,023	(220,592)	(95,078)	(139,548)				567,779	708,391	(140,612)
803																	
804	Tax Prov.(Benefit)	131,482	280,498	32,125	32,539	345,162	(75,453)	8,008	(88,238)	(38,032)	(55,822)				227,107	283,354	(56,247)
805																	
806	Net Income (Loss)	197,219	420,746	48,188	48,808	517,742	(113,178)	12,015	(132,354)	(57,046)	(83,726)				340,672	425,037	(84,365)
807	Checksum	197,219	420,746	48,188	48,808	517,742	(113,178)	12,015	(132,354)	(57,046)	(83,726)				340,672		

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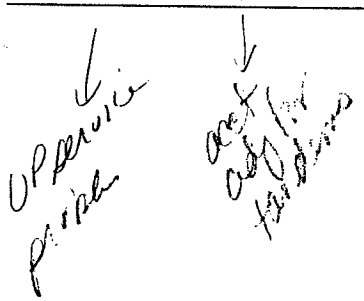
Car Count Forecast

Cars FORECAST APRIL 1998	Pinsly Railroad Company and Subsidiaries						4 MON ACT PLUS 8 Budget
	AMR	FCR	FMR	FNR	FL_CON	PVR	
FORECAST APRIL 1998	18,723	7,488	2,904	1,825	12,217	2,962	33,902
1998 Budget	20,029	8,305	3,130	2,152	13,587	2,801	36,417
Variance	-1,306	-817	-226	-327	-1,370	161	-2,515



	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
744	INCOME STATEMENT	Pinsly Railroad Company and Subsidiaries													1998	1997	Var.
745	BUDGET 1998														BUDGET	Forecast	
746		AMR	FCR	FMR	FNR	FL_CON	PVR	RAR	RFL	RMA	PIN				TOTAL	TOTAL	
747	Revenue:																
748	Freight	3,431,860	2,092,858	978,149	584,790	3,655,797	939,016								8,026,673	7,800,627	226,046
749	Surcharge	63,000													63,000	107,975	(44,975)
750	Switching	34,000	2,515	2,664	504	5,683	4,000								43,683	181,140	(137,457)
751	Demurrage	20,000	8,755	10,686	1,380	20,821	6,000								46,821	54,401	(7,580)
752	Trucking							83,600	139,500	316,990					540,090	1,033,846	(493,756)
753	Storage							550	35,700	10,598					46,848	72,483	(25,635)
754	Meals															493,319	(493,319)
755	Liquor															65,965	(65,965)
756	Gift Certificates															31,903	(31,903)
757	Other															6,746	(6,746)
758																	
759	Unloading/Handling							86,600	154,365	196,381					437,346	553,298	(115,952)
760	**Total Trans. Revenue**	**3,548,860**	**2,104,128**	**991,499**	**586,674**	**3,682,301**	**949,016**	**170,750**	**329,565**	**523,969**					**9,204,461**	**10,401,703**	**(1,197,242)**
761	Railcar Repair	506,800													506,800	319,743	187,057
762	Greenbrier Lease Revenue	120,000													120,000	118,725	1,275
763																	
764																	
765	Misc. Oper. Income	28,800	63,600	7,800	22,200	93,600	52,056			32,175					206,631	261,488	(54,857)
766	Contract Income	27,741	297,428	93,645	52,859	443,932	85,080			6,000	39,845				602,598	624,459	(21,861)
767																	
768	**Total Revenue**	**4,232,201**	**2,465,156**	**1,092,944**	**661,733**	**4,219,833**	**1,086,152**	**170,750**	**329,565**	**562,144**	**39,845**				**10,640,490**	**11,726,118**	**(1,085,628)**
769																	
770	**Operating Expenses:**																
771	Transportation	1,130,704	654,111	376,474	184,328	1,214,913	362,757	78,600	111,000	243,510					3,141,484	3,594,256	(452,772)
772	Maint. of Way	649,302	428,312	100,864	90,988	620,164	157,940								1,427,406	1,660,570	(233,164)
773	Maint. of Equipment	441,179	125,469	98,808	42,360	266,637	152,520								860,336	752,855	107,481
774	Railcar Repair	398,876													398,876	198,231	200,645
775	Dinner Car		3,976			3,976									3,976	743,900	(739,924)
776	Warehouse							41,916	133,343	226,193					401,452	405,807	(4,355)
777	Spare																
778	General & Admin.	358,630	286,086	119,974	70,439	476,499	139,001	25,592	131,344	98,325	1,516,955				2,746,346	2,881,150	(134,804)
779	Marketing	98,549	53,332	18,564	13,140	85,036									183,585	154,101	29,484
780																	
781																	
782												Accidents	180,000				
783	Deprec. & Amort.	264,023	248,268	45,780	32,832	326,880	116,618	5,908	9,852	27,132	28,740				779,153	873,362	(94,209)
784	**Total Operating Expenses**	**3,341,263**	**1,799,554**	**760,464**	**434,087**	**2,994,105**	**928,836**	**152,016**	**385,539**	**595,160**	**1,545,695**				**9,942,614**	**11,264,232**	**(1,321,618)**
785																	
786																	
787	**Operating Income(Loss)**	**890,938**	**665,602**	**332,480**	**227,646**	**1,225,728**	**157,316**	**18,734**	**(55,974)**	**(33,016)**	**(1,505,850)**				**697,876**	**461,886**	**235,990**
788																	
789	**Other (Income)Expenses:**																
790	Corporate Charge	198,867	265,172	265,172	66,293	596,637	265,172		132,587	132,587	(1,325,850)						
791	Interest Income	(3,912)	(18,048)	(3,540)	(4,236)	(25,824)		(744)	(5,784)		(11,004)				(47,268)	(59,501)	12,233
792	Other NonOper. Income										(8,604)				(8,604)	(454,166)	445,562
793	Interest Expense		23,292	22,113		45,405									45,405	109,751	(64,346)
794	Other NonOper. Expense															1,981	(1,981)
795																	
796																	
797																	
798																	
799	**Total Other (Income)Exp.**	**194,955**	**270,416**	**283,745**	**62,057**	**616,218**	**265,172**	**(744)**	**126,803**	**132,587**	**(1,345,458)**				**(10,467)**	**(401,935)**	**391,468**
800																	
801																	
802	**Pretax Income(Loss)**	**695,983**	**395,186**	**48,735**	**165,589**	**609,510**	**(107,856)**	**19,478**	**(182,777)**	**(165,603)**	**(160,392)**				**708,343**	**863,821**	**(155,478)**
803																	
804	**Tax Prov.(Benefit)**	**278,392**	**158,075**	**19,496**	**66,237**	**243,808**	**(43,145)**	**7,789**	**(73,111)**	**(66,240)**	**(64,156)**				283,337	345,527	(62,190)
805																	
806	**Net Income (Loss)**	**417,591**	**237,111**	**29,239**	**99,352**	**365,702**	**(64,711)**	**11,689**	**(109,666)**	**(99,363)**	**(96,236)**				**425,006**	**518,294**	**(93,288)**
807	Checksum	417,591	237,111	29,239	99,352	365,702	(64,711)	11,689	(109,666)	(99,362)	(96,236)				425,006		

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
674	PINSLY CONSOLIDATED															
675	INCOME STATEMENT BY MONTH													1998	9 MON ACT	
676	BUDGET 1998						BUDGET 1998							BUDGET	PLUS 3	
677		Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget		Mon. Forecast	Variance
678		JAN.	FEB.	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	TOTAL	
679																
680	Revenue															
681	Freight	695,564	726,004	718,466	728,823	685,346	660,204	636,525	630,325	624,464	621,086	638,486	661,379	8,026,673	7,800,627	226,046
682	Surcharge	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	63,000	107,975	(44,975)
683	Switching	3,026	2,738	6,106	5,154	2,272	1,954	2,122	5,154	2,075	5,154	5,275	2,653	43,683	181,140	(137,457)
684	Demurrage	6,321	4,586	4,361	3,371	3,581	3,316	3,196	4,176	3,637	3,121	4,071	3,084	46,821	54,401	(7,580)
685	Trucking	43,945	50,925	44,315	45,915	53,445	48,605	45,985	47,065	44,165	41,605	36,525	37,595	540,090	1,033,846	(493,756)
686	Storage	3,862	4,552	4,375	3,713	4,044	3,937	3,852	3,948	3,670	3,665	3,615	3,615	46,848	72,483	(25,635)
687	Meals														493,319	(493,319)
688	Liquor														65,965	(65,965)
689	Gift Certificates														31,903	(31,903)
690	Other														6,746	(6,746)
691																
692	Unloading/Handling	36,158	40,768	36,474	37,424	41,719	40,668	38,875	38,721	36,174	32,736	29,403	30,226	437,346	553,298	(115,952)
693	Total Trans. Revenue	794,126	834,823	819,347	829,650	795,657	763,934	733,805	734,639	719,435	712,617	722,625	743,802	9,204,461	10,401,703	(1,197,242)
694	Railcar Repair	41,500	40,400	41,500	41,500	41,500	43,200	43,200	43,200	43,200	43,200	42,200	42,200	506,800	319,743	187,057
695	Greenbrier Lease Revenue	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000	118,725	1,275
696																
697																
698	Misc. Oper. Income	12,701	12,949	23,901	13,856	13,011	13,011	46,301	15,501	12,701	13,701	16,301	12,697	206,631	261,488	(54,857)
699	Contract Income	97,490	26,608	48,720	43,249	41,656	87,445	30,519	32,091	56,071	68,192	23,182	47,375	602,598	624,459	(21,861)
700																
701	Total Revenue	955,817	924,780	943,468	938,255	901,824	917,590	863,825	835,431	841,407	847,710	814,308	856,074	10,640,490	11,726,118	(1,085,628)
702																
703	Operating Expenses															
704	Transportation	264,153	257,508	272,021	250,188	288,001	253,088	249,666	283,789	248,166	247,036	273,369	254,499	3,141,484	3,594,256	(452,772)
705	Maint. of Way	111,313	111,463	129,405	111,813	129,805	111,113	114,313	132,405	114,113	115,163	132,405	114,097	1,427,406	1,660,570	(233,164)
706	Maint. of Equipment	79,017	76,777	85,911	65,552	70,966	64,990	65,667	71,336	67,067	65,237	72,044	75,776	860,336	752,655	107,681
707	Railcar Repair	32,037	32,037	35,646	32,037	35,646	32,037	32,037	35,646	32,037	32,037	35,646	32,037	398,876	198,231	200,645
708	Dinner Car	1,988	1,988											3,976	743,900	(739,924)
709	Warehouse	33,229	32,620	32,851	34,879	32,723	33,054	35,016	32,496	34,939	32,388	32,499	34,758	401,452	405,807	(4,355)
710	Spare															
711	General & Admin.	223,413	223,210	247,198	220,133	244,401	218,196	220,922	244,410	221,374	216,841	244,804	221,442	2,746,346	2,881,150	(134,804)
712	Marketing	14,491	14,316	17,108	14,516	17,108	14,316	14,066	17,358	14,066	14,816	17,108	14,316	183,585	154,101	29,484
713																
714																
715																
716	Deprec. & Amort.	64,930	64,930	64,930	64,930	64,930	64,930	64,930	64,930	64,930	64,930	64,930	64,923	779,153	873,362	(94,209)
717	Total Operating Expenses	824,570	814,848	885,069	794,047	883,579	791,723	796,616	882,369	796,691	788,447	872,804	811,847	9,942,614	11,264,232	(1,321,618)
718																
719																
720	Operating Income(Loss)	131,247	109,931	58,399	144,208	18,245	125,867	67,208	(46,938)	44,716	59,263	(58,496)	44,227	697,876	461,886	235,990
721																
722	Other (Income)Expenses															
723	Corporate Charge															
724	Interest Income	(3,939)	(3,939)	(3,939)	(3,939)	(3,939)	(3,939)	(3,939)	(3,939)	(3,939)	(3,939)	(3,939)	(3,939)	(47,268)	(59,501)	12,233
725	Other NonOper. Income			(2,151)			(2,151)			(2,151)			(2,151)	(8,604)	(454,166)	445,562
726	Interest Expense	3,784	3,784	3,784	3,784	3,784	3,784	3,784	3,784	3,784	3,784	3,784	3,781	45,405	109,751	(64,346)
727	Other NonOper. Expense														1,981	(1,981)
728																
729																
730																
731																
732	Total Other (Income)Exp.	(155)	(155)	(2,306)	(155)	(155)	(2,306)	(155)	(155)	(2,306)	(155)	(155)	(2,309)	(10,467)	(401,935)	391,468
733																
734																
735	Pretax Income(Loss)	131,402	110,086	60,705	144,363	18,400	128,173	67,363	(46,783)	47,022	59,418	(58,341)	46,536	708,343	863,821	(155,478)
736																
737	Tax Prov (Benefit)	52,561	44,034	24,283	57,744	7,360	51,268	26,945	(18,713)	18,808	23,767	(23,336)	18,616	283,337	345,527	(109,954)
738																
739	Net Income (Loss)	78,841	66,052	36,422	86,619	11,040	76,905	40,418	(28,070)	28,214	35,651	(35,005)	27,920	425,006	518,294	(45,524)

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)
SEP 23 98

PRODUCER
LINCOLN INSURANCE
5920 AIRPORT ROAD
ORISKANY NY 13424

PHONE:
FAX:

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED
PINSLY RAILROAD COMPANY ETAL
(SEE ATTACHED)
53 SOUTHAMPTON ROAD
WESTFIELD MA 01085

COMPANIES AFFORDING COVERAGE

COMPANY A: TIG SPECIALTY CO

COMPANY B: CONNECTICUT INDEMNITY COMPANY

COMPANY C:

COMPANY D:

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
	GENERAL LIABILITY	RCU37945206	DEC 30 97	DEC 30 98	GENERAL AGGREGATE	$ N/A
	COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG.	$
	[X] CLAIMS MADE [ ] OCCUR				PERSONAL & ADV INJURY	$
	OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE	$ 5,000,000
	[X] CUSTOM RAILROAD LIAB.				FIRE DAMAGE (Any One Fire)	$
					MED. EXP (Any One Person)	$
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT	$
	ANY AUTO					
	ALL OWNED AUTOS				BODILY INJURY (Per person)	$
	SCHEDULED AUTOS					
	HIRED AUTOS				BODILY INJURY (Per accident)	$
	NON-OWNED AUTOS					
					PROPERTY DAMAGE	$
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	$
	ANY AUTO				OTHER THAN AUTO ONLY:	
					EACH ACCIDENT	$
					AGGREGATE	$
	EXCESS LIABILITY				EACH OCCURRENCE	$
	UMBRELLA FORM				AGGREGATE	$
	OTHER THAN UMBRELLA FORM					$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				[ ] WC STATU-TORY LIMITS [ ] OTHER	
	THE PROPRIETOR/ PARTNER/EXECUTIVE OFFICERS ARE: [ ] INCL [ ] EXCL				EACH ACCIDENT	$
					DISEASE-POLICY LIMIT	$
					DISEASE-EACH EMPLOYEE	$
B	OTHER: **COMMERCIAL PROPERTY**	ACOPA75515	JAN 1 98	JAN 1 99	**PROPERTY, ROLLING STOCK, EQUIPMENT ETC.**	

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS CERTIFICATE HOLDER IS NAMED AS ADDITIONAL INSURED AND LOSS PAYEE AS THEIR INTERESTS MAY APPEAR

CERTIFICATE HOLDER

BANKBOSTON, N.A., IT SUCCESSORS AND ASSIGNS AS THEIR INTERESTS MAY APPEAR
100 FEDERAL STREET
BOSTON, MA

Attention:

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT.

AUTHORIZED REPRESENTATIVE

Charles Kepes

PINSLY RAILROAD COMPANY SCHEDULE OF

NAMED INSUREDS

Pinsly Railroad Company

Arkansas Midland Railroad

Claremont Railroad Company

Florida Central Railroad

Florida Midland Railroad

Florida Northern Railroad

Frankfort & Cincinnati Railroad

Greenville & Northern Railway

Pinsly Motor Express

Pioneer Valley Railroad Company

Railroad Distribution Services, Inc. (AR)

Railroad Distribution Services, Inc. (MA)

Railroad Distribution Services, Inc. (FL)

CURRENT SCHEDULE OF INSURANCE

PINSLY RAILROAD COMPANY, ET AL

Maggie Silver
Barbara Kahn

LINCOLN INSURANCE
5920 AIRPORT ROAD
ORISKANY, NY 13424
PH: 315 768-6110 800 722-7722
FAX: 315 768-8403

1/10/98

TABLE OF CONTENTS

Named Insureds....2

Comprehensive Railroad Liability....3

Excursion Liability....4

Operating Properties....5-5A

Contractor's Equipment....6-6C

Vehicle Schedule....7-7A

Locomotives....8

Box Car Lease....9

Bailee's Coverage....10

Computer Coverage....11

Bonds....12-12A

Workers Compensation....13

NAMED INSUREDS

Pinsly Railroad Company

Arkansas Midland Railroad

Claremont Railroad Company

Florida Central Railroad

Florida Midland Railroad

Florida Northern Railroad

Frankfort & Cincinnati Railroad

Greenville & Northern Railway

Pinsly Motor Express

Pioneer Valley Railroad Company

Railroad Distribution Services, Inc. (AR)

Railroad Distribution Services, Inc. (MA)

Railroad Distribution Services, Inc. (FL)

RAILROAD LIABILITY

Company: TIG Specialty Ins. Co.
Policy No: RCU37945206
Effective Dates: 12/30/97 - 12/30/98

Limit of Liability:	$5,000,000 excess $50,000 Self Insured Retention
Rate:	$3.291 per $100 of payroll
Premium:	$110,992
Payroll:	$1,944,000
Retro Dates:	12/30/86 except: FCR 9/27/90 and AMR 2/23/92

ADDITIONAL INSUREDS:

CSXT - Additional leased track
Greyhound Financial Corporation
The First National Bank of Boston - loan agreement
Continental Cablevision of Western New England - tower site
Union Pacific
Missouri Pacific
The Bartow Municipal Airport Development Authority
The Holyoke Water Power Company
City of Winter Garden
X-Tra Lease
Ashland, Inc.
Plum Creek Marketing Co., Inc.
Builders Square Inc.
South Carolina Central Railroad
Interstate Heavy Metals, Ltd.

EXCURSION LIABILITY

Company: TIG Specialty Ins. Co.
Policy No: RCU37945206
Effective dates: 12/30/97 - 12/30/98

Limit of Liability: $5,000,000 excess $10,000 deductible
Rate: Flat
Revenue: Incidental only
Premium: $1,000

Retro Date: 12/02/95

ADDITIONAL INSUREDS:

Simon Property Group
7150 E Washington St.
Indianapolis, IN 46219

City of Travares
First Union National Bank of Florida

Lowe's Home Centers Inc.

LIQUOR LIABILITY:

Company: TIG Specialty Ins. Co.
Policy No: RCU37945206
Effective Dates: 12/30/97 - 12/30/98

Limit: $5,000,000 (included under Excursion Liability with $10,000 deductible)

BUILDING AND CONTENTS

Company: Connecticut Indemnity Co.
Policy No.: ACOPA75515
Effective dates: 01/01/98 - 01/01/99

LOCATION	CONSTRUCTION	BUILDING	CONTENTS
Pinsly Railroad Company			
Depot Square, Barre, VT (Office Building)	Brick	$104,000	
53 Southampton Rd. Westfield, MA	Masonry		$ 35,000**
** Pitney Bowes Loss Payee for mail machine ** AT&T Credit Corp. Loss Payee for Merline phone system			
Pioneer Valley Railroad			
Depot St., Westfield, MA (Office - 800sq. ft.)	Frame	$ 62,500	$ 15,000
Depot St., Westfield, MA (Shop & Engine House 9100 sq. ft.)	Steel	$197,500	$ 35,000
Railroad Distribution Services			
Highway 17 North, Bartow, FL Mailing address: 405-A Bartow Municipal Airport, Bartow, FL 33830 The Bartow Municipal Airport Development Authority & City of Bartow, FL (Additional Insured)			$10,000
Bartow Municipal Airport Bartow, FL Building #204 Building #205		$139,050 $118,450	
724-730 Main St. Holyoke, MA	Brick & Steel		$10,000

Building and Contents Schedule Continued

LOCATION	CONSTRUCTION	BUILDING	CONTENTS
Florida Central Railroad			
3001 Orange Ave Plymouth, FL (Office)	Concrete	$105,000	$30,000
** Pitney Bowes Loss Payee mail scale **Chemical Leasing, Inc. Loss Payee Minolta Copier **Lanier Financial Services Loss Payee phone system			
Altamonte Springs, FL (Caboose - office)		$ 26,000	$ 5,000
Frankfort & Cincinnati Railroad			
Clinton & Regan St. Frankfort, KY (shop & office)	Concrete & Steel	$ 104,000	
Arkansas Midland Railroad			
Jones Mill Ind. Park Jones Mill, AR (Office)			$ 15,000

Deductible: $1,000
Deductible: $10,000 for Flood & Earthquake
Rate: .50/100

EQUIPMENT

Company: Connecticut Indemnity Co.
Policy No: ACOPA75515
Effective Dates: 01/01/98 - 01/01/99

YEAR	MAKE/DESCRIPTION	SERIAL NUMBER	VALUE
Pioneer Valley Railroad			
1978	Case Backhoe Md. 55	8975079	10,000
1978	Canron Eas Switch Tamper	1076068	25,000
	Track Wrench BSR-8	SN28954	11,905
	RTW Tie Handler #TH2170A and Brushcutter	AT-521	23,900
	Steam Cleaner	51909	3,516
1989	Case 580K 4x4 Backhoe	JJG0016920	27,500
	Berema Spike Hammer	FB-60	5,000
	Single Car Tester		3,000
	Ballast Regulator		6,000
Florida Central Railroad			
1986	Welder	1DDAW16S7FA007	4,000
	Generator Mdl. EB65005XA	2002566	2,585
	Pittsburgh Mower 6ft 60	102623H	1,300
	Contents of 3 Box Cars		60,000
1983	Case Backhoe 580D	9084043	8,000
	(2) Air Jacks	H528-50 Ton	5,000

Equipment Schedule Continued

Florida Central Railroad Cont.

	Plasser Ballast Regulator	MR468	3,000
	Van Sprayer	K20034	2,200
	Radar Gun	G-1	1,000
	Track Scale		4,000
	Pressure Washer	118192	2,700
	Rail Drill	17872	2,300
	Rail Saw	TK16	1,500
	Fork Lift	2066400818	5,800
1993	Case Backhoe 580	JJG0174957	43,195
	Kershaw Tie Crane	MR427	1,000
	Fairmont Mark I Tamper	676678	12,000
	Fairmont Tamper	1989	1,000
	Brushcutter		17,000
	Tie Crane/Brushcutter	1975	15,000
	Massey Ferguson Tractor w/ rotary cutter & trailer	64015176	12,000
1995	Beever Chipper	4S8SZ151XRW002241	27,000

Arkansas Midland Railroad

	Jackson 900 Track Tamper	124909	21,000
1981	Fairmont Inspection Car	248	1,400
1974	Case 580-CK Backhoe w/ Trailer	593712	13,000
1984	Case 580 Backhoe w/ hi-rails riggers and forks	8990080	20,000
	Air Compressor	04BB710927	8,000
	Telementary Device		3,000
	Locomotive Jacks (4 @ $5,000 each)		20,000

1/10/98

Equipment Schedule Continued
Arkansas Midland Railroad cont.

	Pettibone Speed Swing Mdl. 441-A	810	30,000
	Tie Inserter	126265	15,757
	Jackson Hand Tamper Set	M22-4L	15,500
	Steam Cleaner	3Z662-2	1,500
	(2) Spike Drivers	1139 & 1140	3,100
	Redline Weed Sprayer		1,100
	Impact Wrench	2163	2,800
	Air Compressor		1,600
	Portable Wheel Track Jack		2,000
	Lincoln Portable Welder		2,000
	Rail Saw	TS760	1,250
1977	Kershaw Ballast Regulator	1099	25,000
	Single Car Tester		3,700
	Bolt Machine		2,000
	Gas Welder	250G	3,000

Railroad Distribution Services - Florida

1985	TCM Forklift Truck Mdl FD-70Z7 w/ side shifter	57900351	23,000
1985	Hyster Forklift Mdl. H-80-XL	5A01941G	12,000
1973	Hyster Forklift Mdl. H-80-C	C5D13935	5,000
1985	Hyster Forklift Mdl. H-50-J	F3D03249F	11,342
1988	Hyster Forklift Mdl. H-80-XL	5621J	15,000
1988	Hyster Forklift Mdl. H-60-XL	28436J	11,000
1993	Hyster Forklift Mdl. H-100-XL	1853P	31,000

Equipment Schedule Continued
Railroad Distribution Services - Massachusetts

Hyster Forklift Truck Mdl. S80xl-BCS	D004V04918M	25,000
Hoist Forklift Model FKS15X	21078	132,000
TCM Forklift	57900351	15,000
Paper Clamp		3,150

Deductible: $250 for items valued to $1,000
$500 for items valued to $5,000
$1,000 for items valued $5,000 and over

RENTED AND LEASED EQUIPMENT

Limit - $100,000

MOBILE EQUIPMENT

Mobile Radio Equipment, Base Stations & Accessories	
Maximum Limit Per Item	$ 2,500
Total Amount of Insurance	$13,500 FCR

Deductible: $250
Rate: .44/100

MOTOR TRUCK CARGO

$25,000 Any One Unit - RDS

Deductible: $250

AUTOMOBILE SCHEDULE

Company: General Accident Ins. Co.
Policy No.: BA0181657 & BA0261288 (MASS)
Effective Dates: 01/01/98 - 01/01/99

Pinsly Railroad Company

YEAR	MAKE/DESCRIPTION	VIN #	DEDUCTIBLE COMP	COLL
1996*	Lexus GS 300	JT8BD42S8T0116195	300	300
1996	Acura RL	JH4KA9657TC007803	300	300

* Loss Payee: Toyota Motor Credit

Pioneer Valley Railroad

1978	International Dump w/boom/hirail	D0532HHB18546	300	300
1978	Ford F-600	F61EVBA0587	300	300
1996	Oldsmobile Aurora	1G3GR62CXT4100666	300	300
1977	Mack Truck U-600 w/hi-rail	DM68653629	300	300

Railroad Distribution Services (Florida)

1992	Chevy S-10	1GCC51424N8153480	ACV	250

Florida Central Railroad

1992	Ford Taurus	1FDCP5203NA287377	ACV	250
1981	International Dump w/boom	1HTAA185XBHA17812	ACV	250
1990	Ford Ranger	1FTCR10AXLUC23824	ACV	250
1991	GMC Sierra	1GDGK24K5ME531635	ACV	250
1985	Ford P/U 1 1/2 tn w/hi-rail and ariel bucket	1FDWK74N2PVA27520	ACV	250
1985	Ford LN8000 Dump Body	1FDX280U36VA58327	ACV	250
1992	GMC P/U w/ hi-rail	1GDKP32K3N3500403	ACV	250
1993	Chevy	1GCGK24K3PE205857	ACV	250
1983	Chevy w/ hi-rail & boom	1GBL7D1E2DV102343	ACV	250
1997	Ford F-150	1FTDF1722VNA41558	ACV	250
1995	Ford F-150 P/U	1FTDF15Y5SNA36048	ACV	250
1997	Ford Econoline Van	1TFHS24I6VHA69085	ACV	250
1996	Ford F-250	1FTHF25H2TEA62728	ACV	250
1997	2O Ton Trailer	112H5V308VL049288	ACV	250
1995	Beever Chipper	4S8SZ151XRW002241	Liability only	
1997	Ford Explorer	1FMDU32P9VUA68388	ACV	250
1998	Ford F-150 P/U	1FTZX1768WNA64902	ACV	250

1/10/98

Automobile Schedule Continued

YEAR	MAKE/DESCRIPTION	VIN #	DEDUCTIBLE COMP	DEDUCTIBLE COLL
Florida Midland Railroad				
1993	Chevy S-10	1GCC514R6P8166685	ACV	250
1992	GMC P/U w/ hi-rail	1GDKP32K3N3500434	ACV	250
Arkansas Midland Railroad				
1973	Ford Utility Truck	N6ODVR36460	ACV	250
1986	Ford F250 w/ hi-rail	1FTHF25H5GKA09836	ACV	250
1988	Mazda P/U	JM2UF1135J0385325	ACV	250
1991	Cierra	1G3AL54N5M6351262	ACV	250
1988	Ford P/U w/ hi-rail	1FTEX15Y7JKA30396	ACV	250
1993	Chevy P/U w/ hi-rail	1GCGC29KXPE232544	ACV	250
1992	GMC P/U w/ hi-rail	1GDKP32K0N3500326	ACV	250
1992	GMC P/U w/ hi-rail	1GDKP32K8N3500395	ACV	250
1986	GMC P/U w/ hi-rail	1GTGC34MOGS516037	ACV	250
1980	Ford 162 Dump w/boom	K81UVJE1962	ACV	250
1993	Ford Taurus	1FALP5744PGZ61489	ACV	250
1994	Ford Explorer	1FMUD32X8RUA48395	ACV	250
1992	GMC P/U w/hi-rail	1GDKP32K3N3500353	ACV	250
1997	Chevy Crew Cab w/hi-rail	1GCGC33R1VF056633	ACV	250

Hired & Non-Owned Coverage
All Include - Drive Other Car Coverage; Marjorie Silver, John Levine, Ben Biscan, Chuck Lagan, John Lindsey

LOCOMOTIVES & CARS

Company: Connecticut Indemnity Co.
Policy No.: ACOPA75515
Effective Dates: 01/01/98 - 01/01/99

ROAD NO.	YEAR	MODEL	VALUE	RAILROAD
63		CF-7	55,000	FCR
207		GP-35	62,500	FCR
47	1971	CF-7	55,000	FMR
49	1974	CF-7	55,000	FCR
50	1974	CF-7	55,000	FNR
55	1974	GP-7	80,000	FCR
57	1974	GP-7	80,000	FCR
908		GP-8	60,000	AMR
53	1972	CF-7	55,000	FMR
2558	1973	CF-7	55,000	PVR
2565	1972	CF-7	55,000	PVR
2597	1972	CF-7	55,000	PVR
2647	1970	CF-7	55,000	PVR
700	1974	GP-8	60,000	AMR
703	1974	GP-8	60,000	AMR
707	1974	GP-8	60,000	AMR
722	1977	GP-8	60,000	AMR
726	1977	GP-8	60,000	AMR
728	1977	GP-8	60,000	AMR
850	1973	GP-8	60,000	AMR
918	1978	GP-8	60,000	AMR
493		CF-7	30,000	AMR

CARS

Private Business Car (Sam Pinsly)		50,000	PVR
100	Business Car	20,000	FCR
300	Kitchen Car	125,000	FCR
301	Diner	80,000	FCR
302	Diner	80,000	FCR
303	Coach	80,000	FCR
	Caboose	3,000	AMR
903554	Caboose	2,000	FCR

Deductible: $1,000
Rate: .69/100

1/10/98

BOX CAR LEASE

Company: Cigna Property & Casualty Ins. Co.
Policy No.: MVP IO6812156
Effective Dates: 03/07/97 - 03/07/98

30 Box Cars @ $21,829.30 each (AMR)
#1001 - 1032

Loss Payee: Greenbriar Railcar, Inc.
1 Center Pointe Drive
Suite 200
Lake Oswego, OR 97035

10 Box Cars @ $30,000 each (FCR)
#2500 - 2509

Loss Payee: David J. Joseph Company

Deductible: $2,500

Premium: $

1/10/98

BAILEE'S COVERAGE

Company: Connecticut Indemnity Co.
Policy No.: ACOPA75515
Effective Dates: 01/01/98 - 01/01/99

Railroad Distribution:

Limit: $500,000
Any Location
Deductible: $ 5,000

Rate: .45/100

ADDITIONAL INSUREDS

North Pacific Lumber P.O. Box 3915 Portland, OR 97208	Warehouse Storage
New England Cartographics P.O. Box 3069 Amherst, MA 01004	Warehouse Storage
Lawrence R. McCoy & Co., Inc. 120 Front Street Worchester, MA 01608	Warehouse Storage
Seaboard International Forest Prod. P.O. Box 780 Amherst, NH 03031	Warehouse Storage

COMPUTER COVERAGE

Company: Connecticut Indemnity Co.
Policy No.: ACOPA75515
Effective Dates: 01/01/98 - 01/01/99

LOCATION

1. 53 Southampton Road
   Westfield, MA

2. Depot St.
   Westfield, MA

3. 3001 Orange Ave
   Plymouth, FL

4. Jones Mill Industrial Park
   Jones Mill, AR

5. Bartow Municipal Ariport

6. Main St.
   Holyoke, MA

Blanket coverage maximum of $217,988 any one location

Property In Transit - $10,000

Deductible - $250 basic policy deductible
$1,000 specific causes of loss

Rate: .50/100

BONDS

Arkansas Midland Railroad

PERFORMANCE BOND

Carrier: Fidelity and Casualty
Policy No.: BNS1462145
Effective Dates: 07/19/93 - 07/19/94
Bond Amount: $250,000
NO LONGER REQUIRED - NOT RENEWED

Florida Central Railroad Co., Inc.

FUEL USERS BOND

Carrier: Utica Mutual Insurance Company
Policy No.: SU44826
Effective Dates: 10/29/92 - 10/29/97
Bond Amount: $2,000
NO LONGER REQUIRED - NOT RENEWED

Florida Midland Railroad Co., Inc.

FUEL USERS BOND

Carrier: General Accident Ins. Co.
Policy No.: SB0002042
Effective Dates: 02/09/97 - 02/09/98
Bond Amount: $1,000

UTILITIES BOND

Carrier: Fidelity and Casualty
Policy No.: BNS1466836
Effective Dates: 03/09/94 - 03/09/95
Bond Amount: $2,000
NO LONGER REQUIRED - NOT RENEWED

Florida Northern Railroad Co., Inc.

FUEL USERS BOND

Carrier: General Accident Ins. Co.
Policy No.: SB0013637
Effective Dates: 01/04/98 - 01/04/99
Bond Amount: $500

1/10/98

Railroad Distribution Services - Florida

UTILITY DEPOSIT BOND

Carrier: Utica Mutual Ins. Co.
Policy No.: SU1442736
Effective Dates: 12/28/90 - 12/28/95
Bond Amount: $5,000
NO LONGER REQUIRED - NOT RENEWED

Railroad Distribution Services - Massachusetts

BROKER'S SURETY BOND - ICC

Carrier: Utica Mutual Ins. Co.
Policy No.: SU42981
Effective Dates: 11/24/92 - 11/24/97
Bond Amount: $10,000

Pinsly Railroad Company

FIDELITY BOND (401K)

Carrier: Western Surety
Policy No.: 68462477
Effective Dates: 01/01/97 - 01/01/98
Bond Amount: $40,000

Trustee: Marjorie P. Silver

WORKERS COMPENSATION

RAILROAD DISTRIBUTION SERVICES - FLORIDA

Carrier: Transcontinental Insurance Co.
Policy No.: WC158219659
Effective Dates: 08/29/97 - 08/29/98

RAILROAD DISTRIBUTION SERVICES - MASSACHUSETTS

Carrier: Transcontinental Insurance Co.
Policy No.: WC158219659
Effective Dates: 08/29/97 - 08/29/98

RAILROAD DISTRIBUTION SERVICES - ARKANSAS

Carrier: Transcontinental Insurance Co.
Policy No.: WC158219659
Effective Dates: 08/29/97 - 08/29/98

PINSLY RAILROAD COMPANY
Exhibit H - Schedule of Locomotives
Jul-98

ROAD	LOCOMOTIVE #	FAS #	ACQ. DATE	COST
AMR				
	#700	4	Mar-92	$62,275.27
	#703	5,134,146	Mar-92	83,133.39
	#707	7	Mar-92	62,275.27
	#722	8	Mar-92	61,475.27
	#726	12,100	Mar-92	61,475.28
	#728	9	Mar-92	61,475.27
	#850	10	Mar-92	62,275.28
	#908	44,56,108	Nov-92	64,637.00
	#918	11	Mar-92	61,475.28
	#493 / CF-7	109	Oct-95	30,000.00
				$610,497.31
FCR	#47	4,96,97	Jun-89	28,552.00
	#49	99,137	Feb-95	16,518.00
	#53	18	Sep-87	16,800.00
	#55	10	Sep-89	76,000.00
	#57	11	Sep-89	76,000.00
	#63	84	Jul-93	14,628.40
	#65	122	Mar-97	19,986.76
	#207	50,123	May-91	78,822.23
	#50	139	Nov-88	40,000.00
				$367,307.39
FMR				
FNR				
	#56 / CF-7	11,12	Jul-86	20,585.59
				$20,585.59
PVR	#2558 / CF-7	36	Jul-85	12,929.00
	#2597 / CF-7	37	Jul-85	12,929.00
	#2647 / CF-7	46	Jul-86	20,000.00
				$45,858.00
	TOTAL			$1,044,248.29

PINSLY RAILROAD COMPANY
Maintenance of Way Equipment
September, 1998

Item	Year	Identifying #	Original Cost
Ford F-250 pickup	1986	1FTHF25H5GKA09836	$ 8,646
Ford F-150 pickup	1988	1FTEX15Y7JKA30396	13,224
GMC Truck	1986	1GTGC34M0GS516037	12,565
Chevy Truck	1993	1GCGC29KXPE232544	29,544
GMC Truck	1992	1GDKP32K0N3500326	12,565
GMC Truck	1992	1GDKP32K8N3500395	12,565
GMC pickup	1992	1GDKP32K3N3500353	15,726
International Truck	1981	1HTAA185XBHA17812	30,233
GMC Sierra Truck	1991	1GDGK24K5ME531635	20,215
Chevy 2500 Truck	1993	1GCGK24K3PE205857	20,891
GMC Truck	1992	1GDKP32K3N3500403	12,720
Chevy C-70 Truck	1983	1GBL7D1E2DV102343	18,352
Ford F-150 pickup	1995	1FTDF15Y5SNA36048	13,682
Ford F-250 pickup	1996	1FTHF25H2TEA62728	18,259
Beever Chipper	1995	4S8SZ151XRW002241	27,666
Ford F-150 pickup	1997	1FTDF1722VNA41558	15,758
Ford F-150 pickup	1998	1FTZX1768WNA64902	21,276
GMC Truck	1992	1GDKP32K3N3500434	12,720
Case 580 Backhoe	1978	8975079	27,346
Case 580K Backhoe	1989	JJG0016920	28,875
International Truck	1978	D0532HHB18546	18,234
Ford F-600 Truck	1978	F61EVBA0587	11,500
Generator/Compressor			2,500
Case Backhoe	1974		9,000
Pettibone Speedswing		441-A	29,500
Jackson Tamper			15,509
Equipment Trailer		15HA77715	3,944
Air Compressor		04BB710927	8,000
Jackson 900 Tamper		124909	23,295
Jackson 125 Tie Inserter		126265	17,025
Case 580C Backhoe	1984	899080	16,500
Ballast Regulator	1977	1099	26,290

PINSLY RAILROAD COMPANY
Maintenance of Way Equipment
September, 1998

300A Welder			3,990
Tie Crane			25,000
Case Backhoe	1983		16,960
Ballast Regulator		MR468	12,054
Air Compressor		165968	5,724
Brushcutter / Tie Handler		Model 10-3-1	17,642
Fairmont Tamper		676678	13,838
Mower / Trailer		64015176	11,925
Case 580 Backhoe	1993	JJG0174957	43,195
Track Wrench		BW617	6,996
Case 585D Forklift		17019421	12,720
Case Backhoe	1979		27,346
Tamper		1076068	24,382
Track Wrench		BSR-8	11,485
Brushcutter / Tie Handler		RTW	26,215
Case 580K Backhoe	1989	JJG0016920	28,875
Ballast Regulator		BE-17	5,775
		TOTAL	$ 848,247

Exhibit J

Pinsly Railroad Company
Federal Identification Numbers

Pinsly Railroad Company, Inc.	04-2507678
Claremont Railway Company, Inc.	02-0119050
Florida Central Railroad Company, Inc.	58-1706789
Florida Midland Railroad Company, Inc.	58-1758851
Florida Northern Railroad Company, Inc.	04-3026852
Frankfort & Cincinnati Railroad Company, Inc.	61-6000206
Greenville & Northern Railway Company, Inc.	57-6000564
Pioneer Valley Railroad Company, Inc.	04-2761674
Railroad Distribution Services, Inc. (MA)	04-2869472
Arkansas Midland Railroad Company, Inc.	71-0712261
Railroad Distribution Services, Inc. (FLA)	06-1358289
Railroad Distribution Services, Inc. (ARK)	71-0734205

Chief Executive Offices of all entities are:

53 Southampton Road
Westfield, MA 01085

BORROWERS:

PINSLY RAILROAD COMPANY

BY: _____
John P Levine, Vice President

ARKANSAS MIDLAND RAILROAD COMPANY, INC.

BY: _____
John P. Levine, Vice President

FLORIDA CENTRAL RAILROAD COMPANY, INC.

BY: _____
John P. Levine, Vice President

FLORIDA MIDLAND RAILROAD COMPANY, INC.

BY: _____
John P. Levine, Vice President

FLORIDA NORTHERN RAILROAD COMPANY, INC.

BY: _____
John P. Levine, Vice President

PIONEER VALLEY RAILROAD COMPANY, INC.

BY: _____
John P. Levine, Vice President

RAILROAD DISTRIBUTION SERVICES, INC. - ARKANSAS

BY: _____
John P. Levine, Vice President

RAILROAD DISTRIBUTION SERVICES, INC. – FLORIDA

BY: _____
John P. Levine, Vice President

RAILROAD DISTRIBUTION SERVICES, INC. – MASSACHUSETTS

BY: _____
John P. Levine, Vice President

EXHIBIT K

ITEMIZATION OF DEBT OF BORROWERS

Promissory note, James Levine	625,000.00
Promissory note, Anne Levine	281,250.00
Loans payable, Local Rail Service Assistance (LRSA),	
Mt. Dora	40,978.00
Plymouth Orlando	600,117.00
West Lake Wales	562,035.00
Total	2,109,380.00

EXHIBIT 1.

ITEMIZATION OF LONG TERM LEASES AND CAPITAL LEASES

1. Pinsly Railroad Company, Inc.

    a. Lease of office space in Westfield, MA

2. Florida Central Railroad Company, Inc.

    a. Lease with CSX of real property located in Orange, Seminole, and Lake Counties, FL
    b. Lease with DJJoseph Leasing of 10 Mill Gondolas

3. Florida Midland Railroad Company, Inc.

    a. Lease with CSX of real property located in Sumter, Lake, and Polk Counties, FL

4. Florida Northern Railroad Company, Inc.

    a. Lease with CSX of real property located in Marion County, FL

5. Railroad Distribution Services, Inc. – Arkansas

    a. Lease with Hot Spring County of property located in Hot Spring, AR

6. Railroad Distribution Services, Inc. - Florida

    a. Lease with Bartow Municipal Airport of 3 buildings located in Bartow, FL
    b. Sublease with Mid Florida Lumber of property located in Bartow, FL

7. Railroad Distribution Services, Inc. – Massachusetts

    a. Lease with Ashland Chemical of building and parking in Westfield, MA
    b. Lease with Melle Realty Corp. of building space in Holyoke, MA

8. Arkansas Midland Railroad Company, Inc.

    a. Lease with Hot Springs County of building space in Hot Spring, AR
    b. Lease with DJJoseph Leasing of 50 Flatcars
    c. Lease with Greenbrier Railcar, Inc. of 30 Boxcars

EXHIBIT M
SCHEDULE OF REAL PROPERTY

PIONEER VALLEY RAILROAD

1 Depot Street, Westfield, MA
Road Property, Hampden and Hampshire Counties, MA

ARKANSAS MIDLAND RAILROAD

Road Property, Pulaski, Phillips, Hot Spring, Garland, Clark, Pike and Montgomery Counties, AR

MORTGAGE

Prepared By:
Peter W. Shrair
COOLEY, SHRAIR, P.C.
1380 Main Street, Fifth Floor
Springfield, MA 01103-1616

This Mortgage, effective as of September 23, 1998, is from **ARKANSAS MIDLAND RAILROAD COMPANY, INC.,** a Delaware corporation having its principal place of business at Jones Mill Industrial Park, Jones Mill, Arkansas 72105 (hereinafter referred to as the "Mortgagor") to **BANKBOSTON, N.A.,** a national banking association having its principal place of business at 100 Federal Street, Boston, Massachusetts 02110, (hereinafter referred to as the "Mortgagee"), on the terms and conditions described below as security for the "Obligations" (as defined in the Mortgage Rider attached hereto as Schedule I and incorporated herein).

WITNESSETH:

That Mortgagor, for the consideration of One Dollar cash paid, the receipt of which is hereby acknowledged, and for the purpose of securing the payment of the indebtedness hereinafter described and the performance of the covenants and agreements hereinafter set forth, hereby grants, bargains, sells and conveys unto the Mortgagee and its successors and assigns forever, the following described Property situated in the Counties of Clark, Garland, Hot Springs, Lonoke, Montgomery, Phillips, Pike and Pulaski and State of Arkansas, to-wit:

The Property more particularly described in Exhibit "A" hereto attached and hereby made a part hereof, including all rail, ties, ballast, other track material, switches and signals located thereon and all property interest of Mortgagor in the leads, spurs, turnouts, signal and communication facilities, bridges, fixtures and all other operating and non-operating appurtenances to the lines of railroad set forth herein and all air rights over such lines of railroad, which consist of the Carlisle branch from mile post 130.33 at North Little Rock, Arkansas, to mile post 102.28 at Carlisle, Arkansas; the Helena branch from mile post 326.57 near Wycamp, Arkansas to mile post 338.6 at Helena, Arkansas; the Hot Springs branch from mile post 388.96 at Malvern, Arkansas, to mile post 422.3 + 1 to end of line at Mountain Pike, Arkansas; and the Norman branch from mile post 426.88 at Gurdon, Arkansas, to mile post 479.2 at Birds Mill, Arkansas, as such lines of railroad are located in Lonoke, Pulaski, Phillips, Hot Springs, Garland, Clark, Pike and Montgomery Counties in the State of Arkansas.

TO HAVE AND TO HOLD the said Property, with all appurtenances thereunto belonging unto the Mortgagor and its successors and assigns forever, hereby covenanting with Mortgagee that it will forever warrant and defend the title to said Property against all lawful claims whatsoever.

This conveyance is made to secure the payment and performance of the Obligations,

including, without limitation, (i) the payment of the principal amount of Five Million and 00/100 Dollars ($5,000,000) plus the amount of any protective advances made hereunder, as such indebtedness is evidenced by the Note and the Loan and Security Agreement (the "Loan Agreement") (as such terms are defined in the Mortgage Rider, and (ii) the payment of any further sums which the Mortgagee or any holder or holders of the Obligations secured hereby, may advance to take care of taxes, insurance or prior encumbrances on the above taxes, insurance or prior encumbrances on the above described Property, or any part thereof. IT IS AGREED THAT THIS MORTGAGE SHALL STAND AS SECURITY FOR ALL SUCH FUTURE AND ADDITIONAL INDEBTEDNESS WHETHER IT BE INCURRED FOR ANY BUSINESS PURPOSE THAT WAS RELATED OR WHOLLY UNRELATED TO THE PURPOSE OF THE LOAN (AS SUCH TERM IS DEFINED IN THE LOAN AGREEMENT), OR WHETHER IT WAS INCURRED FOR SOME PERSONAL OR NONBUSINESS PURPOSE, OR FOR ANY OTHER PURPOSE RELATED OR UNRELATED, OR SIMILAR OR DISSIMILAR, TO THE PURPOSE OF THE LOAN. All such principal, future advances and accrued interest shall be payable in accordance with the Note and the Loan Agreement with such Obligations being finally due and payable on September 23, 2000, unless continued.

Mortgagor hereby grants to Mortgagee a lien upon and security interest in all of the Property, including without limitation, property and equipment and all other items of tangible personal property and equipment, and all replacements thereof and accessions thereto, including replacement parts and equipment, located in and on the Premises (as defined in Schedule A) which are now, and shall hereafter become, fixtures, all as set forth in Schedule A. This instrument constitutes a fixture financing statement and filing under the Uniform Commercial Code.

The covenants, agreements, conditions, representations and warranties contained in the Mortgage Rider are incorporated herein by reference as if fully set out herein; and all references to covenants, agreements, conditions, representations and warranties contained in this Mortgage shall be deemed to include the covenants, agreements, conditions, representations and warranties contained in said Mortgage Rider.

NOW THEREFORE, if the Mortgagor shall pay and perform all of the Obligations secured hereby this conveyance shall be null and void and shall be released at its expense, but if it shall fail to pay and perform said Obligations or any part thereof, or the interest thereon, when due, or to pay the taxes and special assessments on the Property as provided herein, or to pay any items due on account of insurance as provided herein, then all of the Obligations secured hereby shall, after any applicable grace periods, at the option of the holder or holders thereof, become due and payable and Mortgagee may proceed to foreclose this Mortgage and sell the Property pursuant to and in compliance with Arkansas Act 53 of 1987, as amended, codified as Ark. Code Ann. § 18-50-101, et seq., by public sale on the Premises or at the customary area of the courthouse of the county where the Property is located, to the highest bidder for cash, either in person or by auctioneer, after first giving public notice of the time, place and terms of such sale, as required by the Act and by publication for thirty (30) days in a newspaper of general circulation in the county where the Property is located, once a week for four consecutive weeks prior to the date of the sale, the final

publication to be no more than seven (7) days prior to the sale, which advertisement shall be sufficient for the purpose of foreclosure. Mortgagee may bid at any such sale and become the purchaser of the Property. No bid shall be accepted that is less than two-thirds (2/3) of the entire indebtedness due at the date of sale. Notice required under Arkansas Act 53 of 1987 shall be directed to Mortgagor at the address supplied by Mortgagor set forth in the Mortgage Rider. This procedure is in addition to Mortgagee's right of judicial foreclosure.

The Mortgagee shall distribute the proceeds of any sale made by it as follows: first, to the cost of sale, then to the repayment of any sums advanced by the holder of the Obligations secured hereby for taxes, special assessments or insurance, and interest thereon; then to the payment of the Obligations secured hereby, and the accrued interest thereon; and the balance, if any, as required by law.

The Mortgagor hereby waives any and all rights of appraisement, sale, redemption and homestead under the laws of the State of Arkansas and especially of redemption under the Act of the General Assembly of the State of Arkansas approved May 8, 1899, and the acts amendatory thereof or supplemental thereto.

The rights and duties of the parties hereto shall be governed by the laws of the Commonwealth of Massachusetts, except with respect to perfection and enforcement of security interests, which shall be governed by the laws of the State of Arkansas.

WITNESS the signature and seal of the Mortgagor on this 23 day of September, 1998.

ARKANSAS MIDLAND RAILROAD COMPANY, INC.

By: _____
Name: J.P. Levine
Title: Vice President

COMMONWEALTH OF MASSACHUSETTS)
)
COUNTY OF HAMPDEN)

On this day before me the undersigned, a Notary Public, personally appeared J.P. Levine the Vice President of Arkansas Midland Railroad Company, Inc., a Delaware corporation, known to me to be the person whose name is subscribed to the within instrument, and acknowledged that (s)he executed the same in such capacity for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 23rd day of September, 1998.

Notary Public
My Commission Expires: 12-25-03

J. NICHOLAS FILLER
Printed Name

Schedule I
(Arkansas Fee)

MORTGAGE RIDER

This Mortgage Rider ("Rider") attached to and made a part of that certain Mortgage, dated as of the 23 day of September, 1998, and effective as of September 23, 1998, (hereinafter referred to as the "Mortgage") by and between **ARKANSAS MIDLAND RAILROAD COMPANY, INC.**, a Delaware corporation having an office at Jones Mill Industrial Park, Jones Mill, Arkansas 72105 (hereinafter referred to as "Mortgagor"), and **BANKBOSTON, N.A.**, a national banking association, having its principal office at 100 Federal Street, Boston, Massachusetts 02110, (the "Lender") (hereinafter referred to as "Mortgagee").

With intent to be legally bound, Mortgagor and Mortgagee agree that the following terms and conditions are herein made a part of the Mortgage as an integral part thereof. The provisions of this Rider are supplementary to the provisions of the Mortgage to which this Rider is attached and to the extent any provision of this Rider deals with the same subject matter as similar provisions of the Mortgage, the provisions hereof are to be construed to expand such similar provisions and not to limit the general application of any general provision contained in the Mortgage. To the extent any provision of this Rider conflicts with the Mortgage, the language in the Mortgage shall control. In case any one or more provisions of this Rider may be found to be invalid or unenforceable for any reason or in any respect, such invalidity or unenforceability shall not limit or impair enforcement of any other provisions of this Rider. Unless otherwise defined herein, capitalized terms used in the Mortgage and this Rider shall have meanings ascribed to them in the Loan Agreement (as hereinafter defined) unless the context clearly indicates otherwise.

§1. Representations and Warranties

Mortgagor hereby represents, covenants and warrants to Mortgagee as follows.

§1.1. **Title to Property**. Mortgagor has good and clear record and marketable title in fee simple to the Premises (as defined in Schedule A attached hereto) and the Appurtenances (as defined in Schedule A) and good and marketable title to the rest of the Property free and clear of any defect, lien, charge or encumbrance except for the Permitted Encumbrances (as hereinafter defined).

§1.2. **Authority; No Encumbrances**. The Property is now free and clear of all encumbrances whatsoever except Permitted Encumbrances and Mortgagor has good right and lawful authority to mortgage and convey the same in the manner and form hereby mortgaged and conveyed.

§1.3. **No Conflicts**. The execution and delivery of this Mortgage does not, and the performance and observance of the terms hereof will not, contravene any provision of existing law or governmental regulations, and will not conflict with or result in any breach of the terms, conditions or provisions of, or constitute a default under or result in or permit the creation of imposition of any charge or encumbrance upon any of the properties of Mortgagor pursuant to any indenture, mortgage or other agreement or instrument to which Mortgagor is a party or by which its properties are bound.

§1.4. **Governmental Filings**. Other than the recording of this Mortgage and the filing of financing statements with the appropriate recording and filing offices in the State where the Property is located, no approval, authorization or other action by, or filing with, any federal, state, or local commission, board or agency, is required under existing law in connection with the execution and delivery by Mortgagor of this Mortgage.

§1.5. **No Leases**. Except for the Permitted Leases, (as hereinafter defined) there are presently in effect no leases of the Property or any part thereof.

§1.6. **Hazardous Waste**. There has been no Release (as hereinafter defined) of any oil, hazardous materials, hazardous wastes, hazardous substances or toxic substances, as defined in 42 U.S.C. §§9601 et seq., as amended, 42 U.SC. §§6901 et seq., as amended, 15 U.S.C. §§2601 et seq., as amended, and the regulations promulgated thereunder, and all applicable federal, state and local laws, rules and regulations relating to hazardous substances, now existing or hereafter enacted ("Hazardous Materials"), on, upon or into the Property, nor, to the best of Mortgagor's knowledge, has there been any such Release on, upon or into any real property in the vicinity of the Property which, through soil or groundwater migration, has come to be located on the presently Property. There are no Hazardous Materials stored or located on, in or about any portion of the Property, except such as may be stored or located on the Property in full compliance with applicable law. Mortgagor covenants and agrees that if any Release or Disposal (as hereinafter defined) of Hazardous Materials shall occur or shall have occurred on the Property, Mortgagor will cause the prompt containment and removal of such Hazardous Materials and remediation of the Property as necessary to comply with all Environmental Laws (as hereinafter defined) or to preserve the value of the Property.

Mortgagor covenants and agrees that it will indemnify and hold Mortgagee harmless from and against any and all claims, expense, damage, loss or liability incurred by Mortgagee (including, without limitation, all costs of legal representation incurred by Mortgagee) relating to (a) any Release or threatened Release of Hazardous Materials on the Property, (b) any violation of any Environmental Laws with respect to conditions at the Property or the operations conducted thereon, or (c) the

investigation or remediation of offsite locations at which Mortgagor or its predecessors are alleged to have directly or indirectly Disposed of Hazardous Materials. It is expressly acknowledge by Mortgagor that this covenant of indemnification shall survive any foreclosure or any modification, release or discharge of any or all of the Security Documents or the payment of the loan and shall inure to the benefit of the Mortgagee, its successors and assigns.

Mortgagor covenants and agrees promptly to provide Mortgagee with written notice: (a) upon Mortgagor's obtaining knowledge of any violation of any Environmental Law regarding the Property or Mortgagor's operations which violation could have a material adverse effect on the Property or on Mortgagor's operations; (b) upon Mortgagor's obtaining knowledge of any potential or known Release, or threat of Release, of any Hazardous Materials at, from, or into the Property which it reports in writing or is reportable by it in writing to any governmental authority or which could materially affect the value of the Property; (c) upon Mortgagor's receipt of any notice of violation of any Environmental Laws or of any Release or threatened Release of Hazardous Materials, including a notice or claim of liability or potential responsibility from any third party (including without limitation any federal, state or local governmental officials) and including notice of any formal inquiry, proceeding, demand, investigation or other action with regard to (A) Mortgagor's or any person's operation of the Property, (B) contamination on, from or into the Property, or (C) investigation or remediation of offsite locations at which Mortgagor or its predecessors are alleged to have directly or indirectly Disposed of Hazardous Materials; or (d) upon Mortgagor's obtaining knowledge that any expense or loss has been incurred by such governmental authority in connection with the assessment, containment, removal or remediation of any Hazardous Materials with respect to which Mortgagor may be liable or for which a lien may be imposed on the Property.

§1.7 **Absence of Litigation**. Except as specified in the Loan Agreement, there are no actions, suits, proceedings or investigations, including, without limitation, condemnation and eminent domain proceedings, pending or, to the best of Mortgagor's knowledge, threatened, against or affecting the Property, or which may involve or affect the validity of this Mortgage, and Mortgagor is not in default with respect to any order, writ, injunction, decree or demand of any court or any administrative agency or governmental authority affecting the Property or the use thereof.

§1.8 **Execution, Delivery and Enforceability**. Mortgagor is duly authorized to make and enter into this Mortgage and to carry out the transactions contemplated by the Loan Agreement. This Mortgage has been duly executed and delivered by Mortgagor and is the legal, valid and binding obligation of Mortgagor, enforceable in accordance with its terms, subject only to the effect of any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors'

rights generally and the discretionary nature of specific performance and other equitable remedies.

§2. Certain Covenants and Conditions.

Mortgagor covenants and agrees as follows:

§2.1. Governmental Charges. Mortgagor shall pay before the same become delinquent all taxes, charges, sewer use fees, water rates and assessments of every name and nature, whether or not assessed against Mortgagor, if applicable or related to the Property, or any interest therein, or applicable or related to any of the Obligations, which, if unpaid, might by law become a lien or charge upon all or any part of the Property; provided, however, that, so long as no distraint, foreclosure sale or other levy upon or transfer with respect to the Property or any part thereof shall have been effected or threatened, Mortgagor shall not be required to pay any such taxes, charges, fees, rates and assessments by reason of this §2.1 if (a) the amount, applicability or validity thereof is currently being contested by Mortgagor in good faith by appropriate legal proceedings, (b) Mortgagor shall have set aside on its books reserves (segregated to the extent required by sound accounting principles and practices) reasonably deemed by Mortgagee to be adequate with respect thereto and (c) Mortgagor shall have provided to Mortgagee a bond or other security of such nature and in such amount as Mortgagee deems sufficient as security for payment thereof.

§2.2. Provision for Payment of Governmental Charges and Other Obligations. To assure the payment of all taxes, charges, sewer use fees, water rates, ground rents and assessments of every name and nature, or any other obligations which may have or acquire priority over this Mortgage, and which are assessed or payable with reference to the Property, Mortgagor, if so requested by Mortgagee, shall deposit with Mortgagee, on the first day of each month, a sum determined by Mortgagee to be sufficient to provide, in the aggregate, a fund adequate to pay any such amounts at least ten (10) days before the same become delinquent; and whenever Mortgagee determines sums accumulated under the provisions of this §2.2 to be insufficient to meet the obligation for which such deposits were made, Mortgagor shall pay, on the demand of Mortgagee, any amount required to cover the deficiency therein. Every such deposit may, at the option of Mortgagee, be applied directly against the obligation with reference to which it was made, or, to the fullest extent permissible according to law, any other obligation of Mortgagor secured hereby. Such deposits may, to the fullest extent permitted by law, be commingled with other assets of Mortgagee and, in the discretion of Mortgagee, invested by Mortgagee for its own account, without any obligation to pay income from such investment, or interest on such deposits, to Mortgagor, or to account to Mortgagor for such income in any manner.

§2.3. **Maintenance of Property; Alterations**. Mortgagor shall keep and maintain the Property in as good repair and condition as the same now is or may hereafter be put (ordinary wear and tear excepted), damage from casualty expressly not excepted, shall make all such needful and proper repairs, replacements, additions and improvements thereto as shall be necessary for the proper conduct of its business thereon, and shall not permit or commit waste on the Property. Mortgagor will make or cause to be made, as and when the same shall become necessary, all structural and non-structural, exterior and interior, ordinary and extraordinary, foreseen and unforeseen repairs, renewals and replacements necessary to that end. Mortgagor shall not permit removal or alteration of anything which constitutes a part of the Property without the consent of Mortgagee except that Mortgagor may remove personal property or fixtures which have become obsolete, provided that Mortgagor shall substitute personal property or fixtures of equal utility and equal or greater value for the items so removed. Mortgagor shall permit Mortgagee to enter the Property, at any reasonable time to determine whether Mortgagor is in compliance with its obligations under this Mortgage. All construction on the Property shall comply with, and each and every part of the Property shall be maintained and used in accordance with, all applicable federal, state and local laws and governmental regulations, and any lawful private restrictions or other requirements or provisions, relating to the maintenance or use thereof.

§2.4. **Hazard and Other Insurance**.

(a) Mortgagor, at its expense, shall procure and maintain for the benefit of Mortgagor and Mortgagee, insurance policies issued by such insurance companies, in such amounts, in such form and substance, and with such coverages, endorsements, deductibles, and expiration dates as are acceptable to Mortgagee, providing the following types of insurance covering the Property.

(i) "All Risks" property insurance (including broad form flood, and broad form earthquake) covering all of the improvements located on the Premises (the "Improvements") and Mortgagor's contents therein in an amount not less than one hundred percent (100%) of the full replacement cost of the Improvements and Mortgagor's contents therein determined annually by an insurer or qualified appraiser selected and paid for by Mortgagor and acceptable to Mortgagee, with deductibles not to exceed $5,000 for any one occurrence, and in the case of flood or earthquake, deductibles not to exceed $25,000 for any one occurrence, with a replacement cost coverage endorsement, an agreed amount endorsement, and, if requested by Mortgagee, a contingent liability from operation of building laws endorsement, a demolition cost endorsement and an increased cost of construction endorsement in such amounts as Mortgagee may require. Full replacement cost as used herein means the cost of replacing the

Improvements (exclusive of the cost of excavations, foundations and footings below the lowest basement floor) and Mortgagor's contents therein without deduction for physical depreciation thereof.

(ii) During the course of construction or repair of any Improvements on the Property, the insurance required by clause (i) above shall be written on a builders risk, completed value, non-reporting form, meeting all of the terms required by clause (i) above, covering the total value of work performed, materials, equipment, machinery and supplies furnished, existing structures, and temporary structures being erected on or near the Premises, including coverage against collapse and damage during transit or while being stored off-site, and containing a soft costs (including loss of rents) coverage endorsement and a permission to occupy endorsement.

(iii) Flood insurance if at any time the Improvements are located in any federally designated "special hazard area" (including any area having special flood, mudslide and/or flood-related erosion hazards, and shown on a Flood Hazard Boundary Map or a Flood Insurance Rate Map published by the Federal Emergency Management Agency as Zone A, AO, A1-30, AE, A99, AH, V0, V1-30, VE, V, M or E) and the broad form flood coverage required by clause (i) above is not available, in an amount equal to the full replacement cost or the maximum amount then available under the National Flood Insurance Program.

(iv) Rent loss insurance in an amount sufficient to recover at least (1) the total estimated gross receipts from all sources of income for the Property, including, without limitation, rental income, for a twelve month period, plus (2) all taxes, charges, sewer use fees, water rates, assessments of every name and nature, and any government charges for a twelve month period to the extent not included in (1) above.

(v) Commercial general liability insurance against claims for personal injury (to include, without limitation, bodily injury and personal and advertising injury) and property damage liability, all on an occurrence basis, if available, with such coverages as Mortgagee may request (including, without limitation, completed operations coverage for a period of two (2) years following completion of construction of any Improvements on the Property, and coverages equivalent to an ISO broad form endorsement), with a general aggregate limit of not less than $1,000,000, a completed operations aggregate limit of not less than $1,000,000, and a combined single "per occurrence" limit of not less than $1,000;000 for bodily injury, property damage and medical payments.

(vi) During the course of construction or repair of any Improvements on the Property, owner's contingent or protective liability insurance covering claims not covered by or under the terms or provisions of the insurance required by clause (v) above.

(vii) Umbrella liability insurance with limits of not less than $5,000,000 to be in excess of the limits of the insurance required by clauses (v) and (vi) above, with coverage at least as broad as the primary coverages of the insurance required by clauses (v) and (vi) above, with any excess liability insurance to be at least as broad as the coverages of the lead umbrella policy.

(viii) Federal employer's liability insurance for all employees of Mortgagor engaged on or with respect to the Property.

(ix) Such other insurance in such form and in such amounts as may from time to time be required by Mortgagee against other insurable hazards and casualties which at the time are commonly insured against in the case of properties of similar character and location to the Property.

Mortgagor shall pay all premiums on insurance policies. The insurance policies provided for in clauses (v), (vi) and (vii) above shall name Mortgagee as an additional insured and shall contain a cross liability/severability endorsement. The insurance policies provided for in clauses (i), (ii), (iii) and (iv) above shall name Mortgagee as mortgagee and loss payee, shall be first payable in case of loss to Mortgagee (subject to the provisions of §2.4 hereof), and shall contain mortgage clauses and lender's loss payable endorsements in form and substance acceptable to Mortgagee. Mortgagor shall deliver duplicate originals or certified copies of all such policies to Mortgagee, and Mortgagor shall promptly furnish to Mortgagee all renewal notices and all receipts of paid premiums. At least thirty (30) days prior to the expiration date of the policies, (or such later date to which the Mortgagee may in its discretion consent from time to time) Mortgagor shall deliver to Mortgagee duplicate originals or certified copies of renewal policies in form satisfactory to Mortgagee.

(b) All policies of insurance required by this Mortgage shall contain clauses or endorsements to the effect that (i) no act or omission of either Mortgagor or anyone acting for Mortgagor (including, without limitation, any representations made by Mortgagor in the procurement of such insurance), which might otherwise result in a forfeiture of such insurance or any part thereof, no occupancy or use of the Property for purposes more hazardous than permitted by the terms of the policy, and no foreclosure or any other change in title to the Property or any part thereof, shall affect the validity or enforceability of such insurance insofar as Mortgagee is concerned,

(ii) the insurer waives any right of setoff, counterclaim, subrogation, or any deduction in respect of any liability of Mortgagor and Mortgagee, (iii) such insurance is primary and without right of contribution from any other insurance which may be available, (iv) such policies shall not be modified, canceled or terminated without the insurer thereunder giving at least thirty (30) days prior written notice to Mortgagee by certified or registered mail, and (v) that Mortgagee shall not be liable for any premiums thereon or subject to any assessments thereunder, and shall in all events be in amounts sufficient to avoid any coinsurance liability.

(c) With the prior consent of Mortgagee, the insurance required by this Mortgage may be effected through a blanket policy or policies covering additional locations and property of Mortgagor not included in the Property, provided that such blanket policy or policies comply with all of the terms and provisions of this §2.4 and contain endorsements or clauses assuring that any claim recovery will not be less than that which a separate policy would provide, including, without limitation, a priority claim endorsement in the case of property insurance and an aggregate limits of insurance per location endorsement in the case of liability insurance.

(d) All policies of insurance required by this Mortgage shall be issued by companies licensed to do business in the State where the policy is issued and also in the Commonwealth of Massachusetts and having a rating in Best's Key Rating Guide of at least "A" and a financial size category of at least "VII" in the case of property insurance and at least "XIV" in the case of liability insurance.

(e) Mortgagor shall not carry separate insurance, concurrent in kind or form or contributing in the event of loss, with any insurance required under this Mortgage unless such insurance complies with the terms and provisions of this §2.4.

(f) In the event of any loss or damage to the Property, Mortgagor shall give immediate written notice to the insurance carrier and Mortgagee. Mortgagor may make proof of loss and adjust and compromise any claim under insurance policies so long as no Event of Default has occurred and is continuing, provided that no proof of loss or adjustment or compromise of any claim shall be made except by Mortgagee (or by Mortgagor with the prior written consent of Mortgagee) if the amount of such loss or claim exceeds $10,000. Mortgagor hereby irrevocably authorizes and empowers Mortgagee if a Event of Default has occurred and is continuing, or if the amount of any loss or claim exceeds $10,000, at Mortgagee's option and in Mortgagee's sole discretion, as attorney in fact for Mortgagor, to make proof of such loss, to adjust and compromise any claim under insurance policies, to appear in and prosecute any action arising from such insurance policies, to collect and receive insurance proceeds, and to deduct therefrom Mortgagee's expenses incurred in the collection of such proceeds. If the Property is sold or the Property is acquired by Mortgagee, all right, title and interest of Mortgagor in and to any insurance policies

and unearned premiums thereon and in and to the proceeds thereof resulting from loss or damage to the Property prior to the sale or acquisition shall pass to Mortgagee or any other successor in interest to Mortgagor or purchaser or grantor of the Property.

§2.5. **Casualties and Takings**. All proceeds of any property or casualty insurance or awards of damages on account of any taking or condemnation for public use of or injury to the Property shall be paid to Mortgagee. In the case of a casualty loss or taking, Mortgagee may, in its discretion, apply such proceeds to or toward the Obligations (in which event Mortgagor shall be relieved of the obligation in §2.3 of this Mortgage to the extent of the repair of the part of the Property damaged by the loss with respect to which such proceeds are paid), or if Mortgagee shall require repair of that part of the Property so damaged or remaining after such taking, Mortgagee shall release to Mortgagor proceeds paid to it in accordance with Mortgagee's usual procedures for funding construction advances, to be applied against the cost of repairing and restoring the Property or the remaining portion thereof, with any balance remaining to be applied to or toward the Obligations. Notwithstanding anything in this §2.5 to the contrary, however, if the insurer denies liability to Mortgagor, Mortgagor shall not be relieved of any obligations under §2.3 of this Mortgage.

§2.6. **Hazardous Materials; Asbestos**.

(a) Mortgagor shall:

(i) not dispose of or store (except in compliance with all laws, ordinances, and regulations pertaining thereto), Dispose of, Release or allow the Release of any Hazardous Materials on the Property.

(ii) neither directly or indirectly transport or arrange for the transport of any Hazardous Materials (except in compliance with all laws, ordinances and regulations pertaining thereto);

(iii) in the event of any change in the laws governing the assessment, Release or removal of Hazardous Materials, which change would lead a prudent lender to require additional testing to avail itself of any statutory insurance or limited liability, take all such action (including, without limitation, the conducting of engineering tests at the sole expense of Mortgagor) to confirm that no Hazardous Materials are or ever were Released or Disposed of on the Property;

(iv) provide Mortgagee with written notice: (x) upon Mortgagor's obtaining knowledge of any potential or known Release, or threat of Release,

of any Hazardous Materials at or from the Property; (y) upon Mortgagor's receipt of any notice to such effect from any federal, state, or other governmental authority; or (z) upon Mortgagor's obtaining knowledge that any expense or loss has been incurred by such governmental authority in connection with the assessment, containment, removal or remediation of any Hazardous Materials for which expense or loss Mortgagor may be liable or for which expense a lien may be imposed on the Property; and

(v) if any Release or Disposal of Hazardous Materials shall occur or shall have occurred on the Property, cause the prompt containment and removal of such Hazardous Materials and remediation of the Property in full compliance with all applicable laws and regulations.

The term "Release" shall have the meaning specified in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §§9601 et seq. ("CERCLA") and the term "disposal" (or "disposed") shall have the meaning specified in the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §§6901 et seq. ("RCRA") and regulations promulgated thereunder; provided, in the event either CERCLA or RCRA is amended so as to broaden the meaning of any term defined thereby, such broader meaning shall apply as of the effective date of such amendment and provided further, to the extent that the laws of the State where the Property is located establish a meaning for "Release" or "Disposal" which is broader than specified in either CERCLA or RCRA, such broader meaning shall apply.

(b) Within one year following execution of this Mortgage Mortgagor shall deliver to Mortgagee a written plan for the removal of any asbestos located in or on the buildings or structures located on the Premises, and upon the approval of such plan by Mortgagee, Mortgagor will cause such plan promptly and diligently to be implemented.

§2.7. **Environmental Assessments**. Whether or not an Event of Default shall have occurred hereunder, Mortgagee may, from time to time, in its discretion for the purpose of assessing and ensuring the value of the Property, obtain one or more environmental assessments or audits of the Property prepared by a geohydrologist, an independent engineer or other qualified consultant or expert approved by Mortgagee to evaluate or confirm (i) whether any Hazardous Materials are present in the soil or water at or adjacent to the Property and (ii) whether the use and operation of the Property comply with all Environmental Laws. Environmental assessments may include, without limitation, detailed visual inspections of the Property including, without limitations, any and all storage areas, storage tanks, drains, dry wells and leaching areas, and the taking of soil samples, surface water samples and ground water samples, as well as such other investigations or analyses

as Mortgagee deems appropriate. All such environmental assessments shall be at the sole cost and expense of Mortgagor.

§2.8. **Notice of Condemnation**. Mortgagor, immediately upon obtaining knowledge of the institution of any proceeding for the condemnation or requisition of the Property or any portion thereof, shall notify Mortgagee of the pendency of such proceeding. Mortgagee may participate in such proceeding, and Mortgagor from time to time shall deliver to Mortgagee all instruments requested by Mortgagee to permit such participation.

§2.9. **Leases; Assignments; Subordination**. Mortgagor shall not lease the Property or any part thereof without the prior written consent of Mortgagee. If Mortgagee shall consent and Mortgagor shall enter into a lease, Mortgagor shall faithfully keep, observe and satisfy all the obligations on the part of the lessor to be kept, performed and satisfied under every lease from time to time in force with reference to the Property, and shall not alter or terminate any such lease, or any guarantee of such lease, except in the ordinary course of business, or accept any rentals for more than one month in advance. Mortgagor hereby assigns to Mortgagee all rents and profits under any and all leases of the Property, provided, however, that Mortgagor shall be entitled to retain such rents and profits until an Event of Default shall have occurred. At any time on notice from Mortgagee, Mortgagor shall submit to Mortgagee for examination all such leases and on the demand of Mortgagee, shall execute and deliver a separate instrument collaterally assigning any or all such leases, or the rents and profits thereof, in form satisfactory to Mortgagee. Mortgagee shall have the right, by the execution of suitable written instruments from time to time, to subordinate this Mortgage, and the rights of Mortgagee hereunder, to any lease or leases from time to time in force with reference to the Property, and, on the execution of any such instrument, this Mortgage shall be subordinate to the lease for which such subordination is applicable with the same force and effect as if such lease had been executed and delivered, and a notice thereof recorded to the extent required to give notice to third persons, prior to the execution, delivery and recording of this Mortgage.

§2.10 **Prior Mortgages**. If this Mortgage, by its terms, is now, or at any time hereafter, becomes subject or subordinate to a prior mortgage, Mortgagor shall fully perform its obligations under such prior mortgage and shall not, without the consent of Mortgagee, agree to the modification, amendment or extension of the terms or conditions of such prior mortgage. Nothing contained in this §2.10 is intended, nor shall it be deemed, to constitute consent by Mortgagee to a subordination of the lien of this Mortgage.

§2.11. **Encumbrances**. Mortgagor shall not create or permit to be created or permit to exist any encumbrance on the Property (other than any lien for property taxes not yet due

and payable and the Permitted Encumbrances) even if such encumbrance is inferior to this Mortgage, without the prior express written consent of Mortgagee.

§2.12. **Transfers of Ownership; Merger, etc.** Except as permitted in the Loan Agreement, Mortgagor shall not (i) sell or permit any transfer of any interest in the Property, or any part thereof, or (ii) dissolve or permit its dissolution, or permit its merger or consolidation into another corporation, without the prior express written consent of Mortgagee.

§2.13. **Expenses**. Mortgagor shall pay when due all fees and charges (including reasonable attorneys' fees) incurred by Mortgagee incident to the transactions evidenced by the Obligations and secured by this Mortgage, the assurance of the security represented by this Mortgage, and incident to the enforcement of the Obligations and this Mortgage, including, without limitation, all filing, registration, recording, search, appraisal and information fees, all title insurance premiums, all transfer taxes and expenses incident to the execution and acknowledgment of the Mortgage and all other documents securing the Obligations, and all federal, state, county, municipal and other taxes, duties, stamps, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Mortgage and the instruments evidencing the Obligations. Such fees and charges shall be secured by the lien of this Mortgage and shall accrue interest at the rate set forth in the Loan Agreement.

§2.14. **Priority of Lien; After-Acquired Property**. This Mortgage is and will be maintained as a valid mortgage lien on the Property subject only to the Permitted Encumbrances. All property of every kind acquired by Mortgagor after the date hereof which, by the terms hereof, is required or intended to be subjected to the lien of this Mortgage shall, immediately upon the acquisition thereof by Mortgagor, and without any further mortgage, conveyance, assignment or transfer, become subject to the lien of this Mortgage. Mortgagor will do, execute, acknowledge and deliver all and every such further conveyances, mortgages, and assurances as Mortgagee shall reasonable require for accomplishing the purposes of this Mortgage. If any action or proceeding shall be instituted to recover possession of the Property or for the foreclosure of any other mortgage or for any other purpose affecting the Property or this Mortgage, Mortgagor will immediately, upon service thereof on or by Mortgagor, deliver to Mortgagee a true copy of each precept, petition, summons, complaint, notice of motion, order to show cause, and all other process, pleadings and papers, however designated, served in any such action or proceeding.

§2.15 **Waiver and Modification**. Whether or not for additional interest or other consideration paid or payable to Mortgagee, no forbearance on the part of Mortgagee or extension of the time for the payment of the whole or any part of the Obligations secured hereby, whether oral or in writing, or any other indulgence given by Mortgagee to Mortgagor or to any other party claiming any interest in or to the

Property, shall operate to release or in any manner affect the original liability of Mortgagor, or the priority of this Mortgage or to limit, prejudice or impair any right of Mortgagee, including, without limitation, the right to realize upon the security, or any part thereof, for the Obligations secured hereby or any of them, notice of any such extension, forbearance or indulgence being hereby waived by Mortgagor and all those claiming by, through or under Mortgagor. No consent or waiver, express or implied, by Mortgagee to or of any default by Mortgagor shall be construed as a consent or waiver to or of any further default in the same or any other term, condition, covenant or provision of this Mortgage or of the Obligations secured hereby. In case pursuant to the laws of the State in which the Property is located redemption is had by Mortgagor after foreclosure proceedings have begun, Mortgagee shall be entitled to collect all costs, charges and expenses incurred up to the time of redemption.

§2.16. **Fixtures and Equipment; Financing Statement**. This Mortgage constitutes a security agreement under the Uniform Commercial Code, and Mortgagor hereby grants to Mortgagee to secure the payment and performance of the Obligations and also to secure the performance of all agreements and covenants herein contained, a security interest in all fixtures, Building Service Equipment and any other property included in the Property, now owned or hereafter acquired by Mortgagor, which might otherwise be deemed "personal property" (and all accessions thereto and the proceeds thereof). Mortgagor covenants and agrees that, upon the subsequent acquisition of fixtures or Building Service Equipment, it will provide to Mortgagee such further assurances as may be required by Mortgagee to establish Mortgagee's first and prior security interest in such fixtures and Building Service Equipment. **IT IS INTENDED BY MORTGAGOR AND MORTGAGEE THAT THIS MORTGAGE BE EFFECTIVE AS A FINANCING STATEMENT FILED WITH THE REAL ESTATE RECORDS AS A FIXTURE FILING.** Mortgagor shall execute, deliver and cause to be recorded and filed from time to time with all necessary public offices, at Mortgagor's sole cost and expense, continuances and such other instruments as will maintain Mortgagee's priority of security in all fixtures and Building Service Equipment.

§3. Default and Remedies

§3.1. **Default; Acceleration of Obligations**. If an Event of Default shall occur then Mortgagee may exercise the remedies provided under this Mortgage, under the Loan Agreement, under any and all other instruments and documents providing security for the Obligations, or under the laws of the State where the Property is situated, or any one or more of such remedies. All sums payable hereunder shall be without relief from valuation and appraisement laws.

§3.2 **Remedies Cumulative**. No remedy herein conferred on Mortgagee is intended to

be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing.

§3.3. **Right of Mortgagee to Cure an Event of Default**. If an Event of Default shall occur Mortgagee shall have the right, but without any obligation so to do, to cure such default for the account of Mortgagor and to make any payment or take any action necessary to effect such cure. Without limiting the generality of the foregoing, Mortgagor hereby authorizes Mortgagee to pay all taxes, sewer use fees, water rates and assessments, with interest, costs and charges accrued thereon, which may at any time be a lien upon the Property, or any part thereof; to pay the premiums for any insurance required hereunder; to incur and pay reasonable expenses in protecting its rights hereunder and the security hereby granted; and to pay any balance due under any security agreement on any fixtures and equipment included as a part of the Property; and the payment of all amounts so incurred shall be secured hereby as fully and effectually as any other obligation of Mortgagor secured hereby. If Mortgagee shall make any payment or take action in accordance with this Section, Mortgagee will give to Mortgagor written notice of the making of any such payment or the taking of any such action. In any such event, Mortgagee and any person designated by Mortgagee shall have, and is hereby granted, the right to enter upon the demised premises at reasonable times and from any time and from time to time for the purpose of taking any such action, and all monies expended by Mortgagee in connection therewith (including, but not limited to, reasonable legal expenses and disbursements), together with interest thereon at an annual rate of interest equal to the rate applicable to overdue payments under the Loan Agreement (or the highest rate permitted by law, whichever shall be less), from the date of each such expenditure, shall be paid by Mortgagor to Mortgagee forthwith upon demand by Mortgagee, and shall be secured by this Mortgage, and Mortgagee shall have, in addition to any other right or remedy or Mortgagee, the same rights and remedies in the event of non-payment of any such sums by Mortgagor as in the case of a default by Mortgagor in the payment of any installment of principal or interest due and payable under the Loan Agreement.

§3.4. **Operation of Mortgaged Property**. Upon the occurrence of an Event of Default, Mortgagee may hold, lease, manage, operate or otherwise use or permit the use of the Property, either itself or by other persons, firms or entities, in such manner, for such time and upon such other terms as Mortgagee may deem to be prudent and reasonable under the circumstances (making such repairs, alterations, additions and improvements thereto and taking any and all other action with reference thereto, from time to time, as Mortgagee shall deem necessary or desirable), and apply all rents, profits and other amounts collected in connection therewith in accordance with the other provisions of this Mortgage.

§3.5 **Receiver**. Upon the occurrence of an Event of Default, or any actual or threatened waste to all or any part of the Property, or at any time while a suit is pending to foreclose or reform this Mortgage or to enforce any provision hereof, Mortgagee shall have the right to apply without notice for the appointment of a receiver of all or any part of the Property and the rents and profits thereof, and such receiver shall have all the broad and effective functions and powers anywhere entrusted by a court to a receiver. Mortgagee shall be entitled to the appointment of said receiver forthwith as a matter of absolute right, without regard to the adequacy or inadequacy of the value of the Property or the solvency or insolvency of Mortgagor or any other defendant, and Mortgagor hereby waives any right to object to the appointment of such receiver and expressly consents thereto. The income, profits, rents, issues and revenues from the Property shall be applied by such receiver according to the provisions of this Mortgage and the practice of the court appointing such receiver.

§3.6 **Certain Terms of Foreclosure Sale**. At any foreclosure sale, any combination, or all, of the Property or security given to secure the indebtedness secured hereby, may be offered for sale for one total price, and the proceeds of such sale accounted for in one account without distinction between the items of security or without assigning to them any proportion of such proceeds, Mortgagor hereby waiving the application of any doctrine of marshaling; and, in case Mortgagee, in the exercise of the power of sale herein given, elects to sell in parts or parcels, said sales may be held from time to time, and the power shall not be fully executed until all of the property or security not previously sold shall have been sold.

§3.7. **Uniform Commercial Code**. If the provisions of the Uniform Commercial Code are applicable to any property or security given to secure the indebtedness secured hereby which is sold in combination with or as a part of the Property, or any part thereof, at one or more foreclosure sales, any notice required under such provisions shall be fully satisfied by the notice given in execution of the power of sale or other provision in accordance with which the sale of real property pursuant to such foreclosure is held with respect to the Property or any part thereof.

§3.8. **Other Mortgage Instruments**. The Obligations secured by this Mortgage may also be secured by various other deeds of trust or mortgages or both (collectively, including this Mortgage, the "Mortgage Instruments") conveying or encumbering real estate in this State and in other jurisdictions. A default under the Loan Agreement shall be a default under all Mortgage Instruments. Except as may be expressly stated in this Mortgage or in such other Mortgage Instruments, all the property conveyed or encumbered by the Mortgage Instruments is security for the Obligations secured by the Mortgage Instruments without allocation of any one or more of the parcels or properties serving as security under the Mortgage Instruments to any part of the Obligations. Mortgagee may act at the same time or at different times to pursue a remedy or remedies under the Mortgage Instruments or under any

of them by proceedings appropriate to the State in which the property serving as security lies, and no such action shall stay or bar enforcement, or be construed as a waiver of, any remedy of Mortgagee under any other instrument in the same Sate or jurisdiction or in any other State or jurisdiction.

§3.9. **Rights Cumulative**. Each right, power and remedy conferred upon Mortgagee by this Mortgage, the Loan Agreement and by all other documents evidencing or securing the Obligations and conferred by law or in equity is cumulative and in addition to every other right, power and remedy herein or therein set forth or otherwise so existing, may be exercised from time to time, as often, and in such order, as may be deemed expedient by Mortgagee, and the exercise or the beginning of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy, and no delay or omission of, or discontinuance by, Mortgagee in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any default or acquiescence therein. To constitute a waiver, there must be a writing signed by an officer of Mortgagee and directed to Mortgagor, specifying the waiver.

No delay or omission of Mortgagee to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy nor shall it be construed to be a waiver of any such default or an acquiescence therein, and every right, power and remedy given by this Mortgage to Mortgagee may be exercised from time to time and as often as may be deemed expedient by Mortgagee.

If Mortgagee (a) grants forbearance or an extension of time for the payment of any sums secured hereby; (b) takes other or additional security for the payment thereof; (c) waives or does not exercise any right granted herein or in the Loan Agreement or other Loan Documents (as defined therein); (d) releases any part of the Property from the lien of this Mortgage or otherwise changes any of the terms of this Mortgage or the Loan Agreement or other Loan Documents; or (e) makes or consents to any agreement subordinating the lien or charge of this Mortgage; any such act or omission shall not release, discharge, modify, change or affect the obligations under this Mortgage or the Loan Agreement or other Loan Documents, or otherwise of Mortgagor or any subsequent purchaser of the Property, or any maker, co-signer or guarantor; nor shall any such act or omission preclude Mortgagee from exercising any right, power or privilege herein granted or intended to be granted in the event of any other Event of Default then made or of any subsequent Event of Default. In the event of any permitted sale or transfer, by operation of law or otherwise, of all or any part of the Property, Mortgagee, without notice, is hereby authorized and empowered to deal with any such vendee or transferee with reference to the Property or the Obligations secured hereby, or with reference to any of the terms or conditions

hereof, as fully and to the same extent as it might deal with the original parties hereto and without in any way releasing or discharging any of the liabilities or undertakings hereunder.

In case Mortgagee shall have proceeded to enforce any right or remedy under this Mortgage or the Loan Agreement or other Loan Documents by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to Mortgagee, then and in every such case Mortgagor and Mortgagee shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of Mortgagee shall continue as if no such proceeding had been taken. In the event of a breach or default under this Mortgage or under the Loan Agreement or any other document evidencing or securing the Obligations, Mortgagor agrees to pay and to indemnify and hold harmless Mortgagee for all reasonable expenses, attorneys' fees, taxes and other court costs occasioned by such breach or default.

§4. Definitions

The following terms as used herein shall have the following meanings:

Building Service Equipment shall mean all apparatus, fixtures and articles of personal property owned by Mortgagor now or hereafter attached to or used or procured for use in connection with the operation or maintenance of any building, structure or other improvement located on or included in the Property, including but without limiting the generality of the foregoing, all tracks, rails, ties, switches, engines, furnaces, boilers, stokers, pumps, heaters, tanks, dynamos, motors, generators, switchboards, electrical equipment, heating, plumbing, lifting and ventilating apparatus, air-cooling and air-conditioning apparatus, gas and electric fixtures, elevators, escalators, fittings, and machinery and all other equipment of every kind and description, used or procured for use in the operation of the building standing on the mortgaged Property (except apparatus, fixtures or articles of personal property belonging to lessees or other occupants of such building or to persons other than Mortgagor unless the same be abandoned by any such lessee or other occupant or person), together with any and all replacements thereof and additions thereto.

Companies shall mean Pinsly Railroad Company, Florida Central Railroad Company, Inc., Florida Midland Railroad Company, Inc., Florida Northern Railroad Company, Inc., Pioneer Valley Railroad Company, Inc., Arkansas Midland Railroad Company, Inc., Railroad Distribution Services, Inc. (Massachusetts), Railroad Distribution Services, Inc. (Arkansas) and Railroad Distribution Services, Inc. (Florida).

Disposal shall have the meaning set forth in §2.6 hereof.

Environmental Laws shall mean any judgment, decree, order, law, license, rule or

regulation pertaining to environmental matters, including without limitation, those arising under the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Superfund Amendments and Reauthorization Act of 1986, the Federal Clean Water Act, the Federal Clean Air Act, the Toxic Substances Control Act or any other federal, state or local statute, regulation, ordinance, order, or decree, or common law, whether in existence now or hereafter enacted, and as such may be amended from time to time, relating to health, safety or the environment.

Event of Default shall mean (a) any Event of Default under the Loan Agreement, as defined therein, or (b) any default in the payment or performance of the obligations of Mortgagor hereunder, or (c) any representation or warranty of Mortgagor hereunder proving to be untrue in any material respect.

Hazardous Materials shall have the meaning set forth in §1.6 hereof.

Improvements shall have the meaning set forth in §2.3(a)(i) hereof.

Loan Agreement shall mean the Loan and Security Agreement dated as of September ___, 1998, by and among Mortgagor, Mortgagee, and the other parties thereto, as ordinally executed, or if varied, supplemented, amended or restated from time to time, as so varied, supplemented, amended or restated.

Loan Documents shall have the meaning set forth in the Loan Agreement.

Mortgage. See page 1 of this Schedule I.

Mortgagee shall mean the Mortgagee named at the beginning of this instrument, any subsequent holder or holders of this Mortgage or the indebtedness secured hereby, the trustee under a deed of trust, or any State or County official engaged in any part of the enforcement of the lien of this Mortgage, and their respective successors and assigns. The word "Mortgagee" as used in this Rider shall also mean, if this instrument forms part of a deed of trust, the beneficiary of this Mortgage Instrument and any subsequent owner of the beneficiary's interest in the Property or this Mortgage Instrument.

Mortgage Instruments shall have the meaning set forth in §3.8 hereof.

Mortgagor shall mean the person or persons named at the beginning of this instrument as Mortgagor, and any subsequent owner or owners of the equity of redemption of the Property. Where more than one person constitutes Mortgagor, provisions in this Mortgage with reference to bankruptcy or insolvency or the like shall refer to each of the persons who at that time constitutes Mortgagor, so that if, for example, but without limitation, any person who is one of the persons who constitute Mortgagor shall file a

petition in bankruptcy, such filing shall be treated as a breach of condition of this Mortgage.

Note shall mean the Revolving Line of Credit Note dated as of September ___, 1998 from the Companies to the Mortgagee in the principal amount of Five Million and 00/100 Dollars ($5,000,000) as originally executed, or if varied, supplemented, amended or restated from time to time, as so varied, supplemented, amended or restated.

Obligations shall mean all indebtedness, liabilities, obligations, covenants and agreements of Mortgagor and the Companies to Mortgagee now existing or hereafter arising or incurred under the Loan Agreement or any notes or other instruments evidencing loans made thereunder or any other loan documents executed and delivered pursuant to the Loan Agreement, whether individually or collectively, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising thereunder or hereunder by contract, operation of law or otherwise.

Permitted Encumbrances shall mean the encumbrances described on Schedule C attached hereto and incorporated herein by reference as if fully set out herein.

Permitted Leases shall mean those leases set forth in Schedule D attached hereto and incorporated herein by reference as if fully set out herein.

Premises shall mean the real property described in Schedule B attached hereto and incorporated herein by reference as if fully set out herein.

Property shall mean the property described in Schedule A attached hereto and incorporated herein by reference as if fully set out herein.

Release shall have the meaning set forth in §2.6 hereof.

Security Documents shall mean the various Loan Documents whereby the Mortgagee is granted pledges, mortgages, security interests and/or other interests in Collateral.

§5. Miscellaneous

§5.1. Notices. All notices, requests and other communications hereunder shall be made in writing (including telex and telecopy communications), shall be sent by first-class mail, postage prepaid, or sent by commercial overnight courier delivery service, charges prepaid, or sent by telex, telecopier or hand delivery, addressed as follows:

(a) If to Mortgagor, at:

c/o Pinsly Railroad Company, Inc.
53 Southampton Road

Westfield, Massachusetts 01085

Attention: President

with a copy to Nicholas Filler, Esquire, c/o Pinsly Railroad Company, Inc., 53 Southampton Road, Westfield, Massachusetts 01085, or at such other address for notice as Mortgagor shall last have furnished in writing to the person giving the notice;

(b) If to Mortgagee, at:

Mary Meehan, Director
BankBoston, N.A.
1350 Main Street
Springfield, MA 01103

with a copy to Peter W. Shrair, Esquire at Cooley, Shrair P.C., 1380 Main Street, 5th Floor, Springfield, Massachusetts 01103, or at such other address for notice as Mortgagee shall last have furnished in writing to the person giving the notice.

Any such notice shall be deemed to have been given when delivered in hand to an officer of the addressee or when sent by telecopy or telex to the number specified above, or one (1) day after being delivered to a commercial overnight courier delivery service, charges prepaid, for next day delivery, or five (5) days after its deposit first-class mail, postage prepaid, and, in each case addressed as provided above or to such other address as the party to whom such communication is being sent shall have notified the other party hereto (in the manner specified herein) to be its address for the purposes of this Mortgage.

§5.2. **Successors and Assigns; Joint and Several Liability; Partial Invalidity**. All the covenants and agreements of Mortgagor herein contained shall be binding upon Mortgagor and the successors and assigns of Mortgagor. In case any one or more of the provisions of this Mortgage may be found to be invalid, or unenforceable for any reason or in any respect, such invalidity or unenforceability shall not limit or impair enforcement of any other provision thereof.

§5.3. **Future Advances**. This Mortgage shall secure, and constitute a lien upon the Property for, all future advances made by Mortgagee under the Loan Agreement at any time or times hereafter, whether or not any reference is made to this Mortgage at the time such advances are made, and all such sums shall be equally secured with and, to the extent permitted by law, have the same priority as the Obligations outstanding as of the date hereof.

§5.4. **Modification**. No change, amendment, modification, cancellation or discharge of this Mortgage, or any part hereof, shall be valid unless in writing and signed by the parties hereto or their respective successors and assigns.

§5.5. **Captions**. Section headings are inserted for convenience of reference only, do not form part of this Mortgage and shall be disregarded for the purposes of the interpretation of the terms of this Mortgage.

§5.6. **Governing Law**. The Loan Agreement and Mortgage shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, except the perfection and enforcement of the lien and security interest hereunder (and any financing statement filed in connection herewith) shall be governed by and construed and enforced in accordance with the laws of the State in which the Property is located.

SCHEDULE A

(a) All those certain tracts or parcels of land more particularly described and set forth in Schedule B attached hereto and made a part hereof (the "Premises");

(b) The easements and other rights granted to Mortgagor in that certain quitclaim deed dated as of February 20, 1992 by and between MISSOURI PACIFIC RAILROAD COMPANY, as Grantor, and Mortgagor, as Grantee to be recorded herewith and all and singular the tenements, hereditaments, easements, licenses, trackage rights, appurtenances, passages (and all waters, water courses and riparian rights, if any), pipes, conduits, electrical and other utility lines, other rights, liberties and privileges thereof or in any way now or hereafter appurtaining to the Premises, including any other claim at law or in equity as well as any after acquired title, franchise or license and the reversion and reversions and remainder and remainders thereof, and all of the estate, right, title, claim or demand whatsoever of Mortgagor therein and in the streets, ways and areas adjacent thereto;

(c) All buildings and other improvements of every kind and description now or hereafter erected or placed on the Premises or any part thereof owned by Mortgagor, and all of the right, title and interest of Mortgagor in and to all materials intended for construction, reconstruction, alteration and repairs of such improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the Premises immediately upon the delivery thereof to the Premises, and all fixtures, Building Service Equipment, and all renewals or replacements thereof or articles in substitution therefor; it being mutually agreed that all the aforesaid property owned or to be owned by Mortgagor and placed by it on the Premises and such buildings and improvements shall, so far as permitted by law, be deemed to be affixed thereto and covered by this Mortgage;

(d) All of the estate, right, title and interest now owned or hereafter acquired by Mortgagor in and to any and all sidewalks and alleys, and all strips and gores of land, adjacent to or in connection with the Premises;

(e) All present and future leases and licenses of space in the buildings and improvements now or hereafter erected on the Premises (collectively "leases", and individually "lease") and the rents, revenues, income,

issues and profits thereunder subject, however, to the right of Mortgagor to receive and use the same and to exercise all rights and privileges as landlord under all of the leases until an Event of Default shall have occurred and be continuing under this Mortgage, together with all the rights and privileges of Mortgagor as landlord thereunder;

(f) All unearned premiums accrued, accruing or to accrue under any and all insurance policies now or hereafter obtained by Mortgagor pursuant to the provisions of the Mortgage;

(g) All proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims, including, but without limitation, proceeds of insurance provided for in this Mortgage and proceeds of condemnation awards and awards for restriction of access to, or change of grade of, streets;

(h) All transferable building service, building maintenance, construction, management and other similar agreements and contracts, written or oral, express or implied, now or hereafter entered into arising or in any manner related to the construction, design, improvement, use, operation, occupation, enjoyment, sale, conversion or other disposition (voluntary or involuntary) of the Premises, or the buildings and improvements now or hereafter located thereon, or any other interest in the Premises, or any combination thereof, including all property management agreements, sales contracts, contract deposits, earnest money deposits, prepaid items and payments due and to become due thereunder, and further including all payment and performance bonds, construction guaranties, warranties, construction contracts, architects agreements, general contract agreements, design agreements, engineering agreements, technical service agreements, architectural plans and specifications, sewer and water and other utility agreements, permits, approvals, licenses, building permits, service contracts, advertising contracts, purchase orders and equipment leases;

(i) All rolling stock, locomotives, cars, automotive and motor vehicles, machinery, tools, equipment, fuel, supplies and materials and other personal property used and employed in connection with the maintenance or operation of a railroad; and

(j) All proceeds and products of the foregoing of every type.

All of the foregoing described property, rights, privileges, interests and franchises more particularly described in paragraphs (a) through (i) above herein granted are intended to be, and are collectively referred to herein as, the "Property."

ARKANSAS MIDLAND RAILROAD COMPANY, INC.

Carlisle, Helena, Hot Springs, and Norman Branches

SCHEDULE "B"

Carlisle Branch

All of those certain properties and property rights constituting a portion of the Carlisle Branch of the Missouri Pacific Railroad Company - (Grantor), being a railroad that runs between Carlisle, Arkansas and North Little Rock, Arkansas, and being all right, title and interest of said Railroad Company in and to all property owned by Grantor, including those certain strips or parcels of land of varying and/or tapering widths heretofore acquired by said Railroad Company from the Chicago Rock Island and Pacific Railroad Company by that certain deed dated November 17, 1983, recorded January 18, 1984 as instrument 84-03491 in the records of Pulaski County, Arkansas, and recorded January 20, 1984, in Book 216, Page 748, in the records of Lonoke County, Arkansas, extending, in general, in a westerly direction, from the east line of the SW¼NE¼ of Section 22, Township 2 North, Range 7 West of the 5th Principal Meridian in Lonoke County, Arkansas, to the North-South centerline of Section 31 Township 2 North, Range 11 West of the 5th Principal Meridian in Pulaski County, Arkansas, and situate in the following sections:

LONOKE COUNTY

SECTIONS	TOWNSHIP	RANGE
22, 21, 20 and 19	2 North	7 West
24, 23, 22, 21, 20 and 19	2 North	8 West
24, 23, 22, 21, 20 and 19	2 North	9 West
24, 23 and 22	2 North	10 West

PULASKI COUNTY

SECTIONS	TOWNSHIP	RANGE
21, 20, 19 and 30	2 North	10 West
24, 25, 26, 27, 28, 29, 31(*) and 32	2 North	11 West

(*) EXCEPTING therefrom, all that portion of said section lying northerly of a line parallel with and 50.0 feet northerly, measured at right angles, from the centerline of the main track of said Carlisle Branch.

39

Helena Branch

All of those certain properties and property rights constituting a portion of the Helena Branch of the Missouri Pacific Railroad Company - (Grantor), being a line of railroad that runs between Helena Junction, Arkansas and Helena (end of branch), Arkansas, and being all right, title and interest of said Railroad Company in and to all property owned by Grantor, including those certain strips or parcels of land of varying and/or tapering widths heretofore acquired by said Railroad Company and/or its predecessor(s) extending, in general, in a southeasterly direction, from the north line of Section 25, Township 1 South, Range 3 East of the 5th Principal Meridian in Phillips County, Arkansas, to the end of said Branch in U.S. Survey No. 2295, Township 2 South, Range 5 East of the 5th Principal Meridian in said Phillips County, and situate in the following sections and U.S. Surveys:

PHILLIPS COUNTY

SECTIONS/SURVEY	TOWNSHIP	RANGE
25(*)	1 South	3 East
30, 31 and 32	1 South	4 East
5, U.S. Survey No. 2410, 4, 9, 10(**), U.S. Survey No. 2412, 11, 12, 1, 2(***), U.S. Survey Nos. 2433 and 2364	2 South	4 East
U.S. Survey Nos. 2364, 496, 491, 2420(****), and 2295(*****)	2 South	5 East

(*) EXCEPTING therefrom, all that portion of said Section 25 lying westerly of a line parallel with and 50.0 feet distant westerly, measured at right angles, from the centerline of the main track of said Helena Branch.

(**) EXCEPTING therefrom, all that portion of said Section 10 lying Northeasterly of a line parallel with and 50.0 feet distant Northeasterly, measured at right angles, from the centerline of the main track of said Helena Branch.

(***) EXCEPTING therefrom, all that portion of said Section 2 lying within Block "E" in the City of West Helena, according to the plat thereof, and within Blocks "N", 107 and 108 which lies between Lot O and Plaza Avenue in said City.

(****) EXCEPTING therefrom, all that portion of said Survey No. 2420 lying Southeasterly of a line parallel and/or concentric with and 50.0 feet distant Southeasterly, measured at right angles and/or radially, from the present centerline of the main track of said Helena Branch and lying east of the east line, and the extension thereof, of Lots 45, 46, 47, 48 and 49 of Whitehead Place, a Subdivision to the City of Helena.

40

(*****) EXCEPTING therefrom, all that portion of said Survey No. 2295 lying within the W½ of Block 4 in New Helena, a Subdivision to the City of Helena, and west of a line parallel and/or concentric with and 15.0 feet distant west of the centerline of Track No. 15 of said Railroad Company as said track presently exists and is shown on map V5A-ARK-S1a in the records of the Grantor; that portion of Block 13 in said New Helena lying east of the alley therein; Lots 44 through 64, inclusive, of Middle Addition to said City; all that area lying between Ohio, Market, Water and Elm Streets; and all that area lying between Ohio, York, Cherry and Elm Streets, lying Northwesterly of a line parallel and/or concentric with and 10.0 feet distant west, measured at right angles and/or radially, from the centerline of said Track No. 15.

ALSO EXCEPTING from the Helena Branch, all that portion of the original right-of-way (now partially abandoned) of the former Arkansas Midland Railway Company, a predecessor of the Grantor, lying in said Sections 5, 9, 10 and 11, and Survey Nos. 2412, 2433, 2364 and 496 and lying southerly and westerly of a line parallel and/or concentric with and 50.0 feet distant southerly, measured at right angles and/or radially, from the present centerline of the main track of said Helena Branch.

Hot Springs Branch

All of those certain properties and property rights constituting that portion of the Hot Springs Branch of the Missouri Pacific Railroad Company - (Grantor), being a line of railroad that runs between Malvern, Arkansas and Hot Springs, Arkansas, and being all right, title and interest of said Railroad Company in and to all property owned by Grantor, including those certain strips or parcels of land of varying and/or tapering widths heretofore acquired by said Railroad Company from the Chicago Rock Island and Pacific Railroad Company by that certain Deed dated August 1, 1980, recorded August 25, 1980, in Book 939, Page 22, in the records of Garland County, Arkansas, and recorded September 2, 1980, in Book 198, Page 287, in the records of Hot Spring County, Arkansas, extending, in general, in a northwesterly direction, from the southwest, south, southeast,and northeast lines of Block 7 in the City of Malvern in Section 22, Township 4 South, Range 17 West of the 5th Principal Meridian in Hot Spring County, Arkansas, to the end of ownership of said portion of Branch in Section 33, Township 2 South, Range 19 West of the 5th Principal Meridian, in Garland County, Arkansas, and situate in the following sections:

HOT SPRING COUNTY

SECTIONS/SURVEY	TOWNSHIP	RANGE
22(*), 15, 10 and 3	4 South	17 West
35(**), 34, 33, 32, 29(***), and 30	3 South	17 West
26, 25(****), 24, and 23	3 South	18 West

(*) EXCEPTING therefrom, all that portion of said Block 7 in said Section 22 lying southwesterly of a line parallel with and 25.0 feet distant southwesterly, measured at right angles, from the centerline of the main track of said Hot Springs Branch and northeasterly of a line parallel and/or concentric with and 25.0 feet distant northeasterly, measured at right angles and/or radially, from the centerline of Track No. 22 of said Railroad Company as said track presently exists and is shown on map A39-SL-1a in the records of the Grantor.

(**) EXCEPTING therefrom, all that portion of said Section 35 lying northerly of a line parallel and/or concentric with and 50.0 feet distant northerly, measured at right angles and/or radially, from the centerline of the main track of said Butterfield Branch.

(***) EXCEPTING therefrom, all that portion of said Section 29 lying northeasterly of a line parallel and/or concentric with and 50.0 feet distant northeasterly, measured at right angles and/or radially, from the centerline of the main track of the Hot Springs Branch of said Railroad.

(****) EXCEPTING therefrom, all that portion of the SW¼NE¼ of said Section 25 lying northeasterly of a line parallel and/or concentric with and 50.0 feet distant northeasterly, measured at right angles and/or radially, from the centerline of the main track of said Hot Springs Branch; and that portion of the SW¼ of Said section lying southwesterly of a line parallel and/or concentric with and 50.0 feet distant southwesterly, measured at right angles and/or radially, from said centerline of the main track.

GARLAND COUNTY

SECTIONS/SURVEY	TOWNSHIP	RANGE
22, 21, 20, 19, 18 and 15	3 South	18 West
13, 12, 11, 3 and 2	3 South	19 West

Also, all of those certain properties and property rights owned by Grantor, situate in Sections 22 and 27, Township 4 South, Range 17 West of the 6th Principal Meridian in Hot Spring County, Arkansas, being those certain strips or parcels of land of varying and/or tapering widths heretofore acquired by said Railroad Company from the Chicago Rock Island and Pacific Railroad Company by that certain Deed dated August 1, 1980, recorded August 25, 1980, in Book 939, Page 22, in the records of Garland County, Arkansas, and recorded September 2, 1980, in Book 198, Page 287, in the records of Hot Spring County, Arkansas, lying between lines parallel with and 75.0 feet distant northwesterly and southeasterly, measured at right angles and/or radially, from the centerline of Track No. 22 of said Railroad Company as said track presently exists and is shown on map A-39-SL-1a in the records of the Grantor, and extending, in

general, in a southwesterly direction, from the southwest line of Block 7 in the Town of Malvern to a line parallel with and 50.0 feet distant northwesterly, measured at right angles, from the centerline of the main track of the Little Rock Subdivision of said Railroad Company.

Also, all of those certain properties and property rights constituting that portion of the Hot Springs Branch of the Missouri Pacific Railroad Company - (Grantor), being a line of railroad that runs between Morning Star (formerly Thorborn), Arkansas and Mountain Pine (end of branch), Arkansas, and being all right, title and interest of said Railroad Company in and to all property owned by Grantor, including those certain strips or parcels of land of varying and/or tapering widths heretofore acquired by said Railroad Company and/or its predecessor(s) extending, in general, in a northwesterly direction, from a line parallel with and 200.0 feet easterly, measured at right angles from the west line of Section 6, Township 3 South, Range 18 West of the 5th Principal Meridian in Garland County, Arkansas, to the end of said Branch in Section 8, Township 2 South, Range 20 West, in said Garland County, and situate in the following sections:

GARLAND COUNTY

SECTIONS/SURVEY	TOWNSHIP	RANGE
6	3 South	18 West
1, 2, 3, 4(*), 7(**), 8 and 9(***)	3 South	19 West
2, 11 and 12(****)	3 South	20 West
35, 34, 28, 27, 21, 20, 17 and 8	2 South	20 West

(*) EXCEPTING therefrom, all that portion of said Section 4 lying north of the north right-of-way line of Grand Avenue and west of the west right-of-way line of Valley Street in the City of Hot Springs not herein conyeyed in Blocks 50 and 54 in said City; ALSO EXCEPTING therefrom, all that portion of the SW¼ of Section 4 lying westerly of the southerly extension of the east right-of-way line of Valley Street in the City of Hot Springs; ALSO EXCEPTING therefrom, all that portion of the SW¼ of Section 4 being that part of the wye track area lying west of the north-south centerline of said Section, southwest of a line parallel and/or concentric with and 50.0 feet distant southwesterly, measured at right angles and/or radially, from the centerline of the north main track of said Hot Springs Branch, south of the south line of Belding Avenue (formerly Smith Street) and east of a line parallel and/or concentric with and 15.0 feet distant easterly, measured at right angles and/or radially, from the centerline of the west leg of the wye (track No. 1A) of said Railroad.

(**) EXCEPTING therefrom, all that portion of said Section 7 lying southerly of a line parallel and/or concentric with and 50.0 feet distant southerly, measured at right angles 43

and/or radially, from the centerline of the main track of said Hot Springs Branch.

(***) EXCEPTING therefrom, all that portion of said Section 9 lying southerly of a line parallel and/or concentric with and 50.0 feet distant southerly, measured at right angles and/or radially, from the centerline of the main track of said Hot Springs Branch and east of Nevada Street in the City of Hot Springs; ALSO EXCEPTING therefrom, all that portion of the NW¼ of Section 9 lying west of the southerly extension of the east right-of-way line of Valley Street in the City of Hot Springs, north of a line parallel and/or concentric with and 50.0 feet distant northerly, measured at right angles and/or radially, from the centerline of the south main track of said Hot Springs Branch and east of the southerly extension of the east right-of-way line of Carson Street in said City.

(****) EXCEPTING therefrom, all that portion of said Section 12 lying southerly of a line parallel and/or concentric with and 50.0 feet distant southerly, measured at right angles and/or radially, from the centerline of the main track of said Hot Springs Branch.

Also, all of those certain properties and property rights owned by Grantor in Block 54, in the City of Hot Springs, Garland County, Arkansas, and that portion of Block 50 in said City described as **BEGINNING** at a point on the south line of Orange Street that is 160.0 feet east of the east line of Elm Street; thence southerly along a line parallel with the west line of lots 1 and 3 of said block, a distance of 760 feet, more or less, to a point in the west line of Valley Street; thence south along said west line to a point that is 160.0 feet north of the southeast corner of said block; thence northwesterly along a line that forms an angle of 43° from north to northwest with said west line, a distance of 315.0 feet; thence west along a line parallel with the north line of lot 5 to a point in said east line of Elm Street; thence north along said east line to the northwest corner of said Lot 5; thence east along the north line of said Lot 5 to a point in a line parallel with and 80.0 feet easterly, measured at right angles, from the west line of said Lots 1 and 3; thence northerly along said parallel line, a distance of 220.0 feet; thence easterly at right angles to the last described parallel line, a distance of 20.0 feet; thence northerly at right angles to the last described line, a distance of 175.0 feet, to a point in the south line of Orange Street; thence easterly along said south line, a distance of 80.0 feet, to the **POINT OF BEGINNING.**

<u>Norman Branch</u>

All of those certain properties and property rights constituting the Norman Branch of the Missouri Pacific Railroad Company - (Grantor), being a railroad that runs between Gurdon, Arkansas and Birds Mill, Arkansas, and being all right, title and interest of said Railroad Company in and to all property owned by

44

Grantor, including those certain strips or parcels of land of varying and/or tapering widths heretofore acquired by said Railroad Company and/or its predecessor(s) extending, in general, in a northwesterly direction, from the northwesterly right-of-way line of the Little Rock Subdivision of said Railroad Company which is a line parallel with and 50.0 feet distant northwesterly, measured at right angles, from the centerline of the main track of said Subdivision in Section 28, Township 9 South, Range 20 West of the 5th Principal Meridian in Clark County, Arkansas, to the end of said Branch in Section 19, Township 4 South, Range 24 West of the 5th Principal Meridian in Montgomery County, Arkansas, and situate in the following sections:

CLARK COUNTY

SECTIONS	TOWNSHIP	RANGE
28, 21(*), 16, 17 and 18	9 South	20 West
13, 14, 15, 22, 21, 20, 17 and 18(**)	9 South	21 West
13, 14, 11, 10 and 3(***)	9 South	22 West
34, 27, 28, 21, 20 and 19	8 South	22 West
24, 23, 14, 11, 2 and 3	8 South	23 West
34, 27, 22, 15 and 16	7 South	23 West
33, 34, 21, 20, 17, 8 and 5	6 South	23 West
33 and 28	5 South	23 West

(*) EXCEPTING therefrom, all that portion of said Section 21 lying northeasterly of a line parallel and/or concentric with and 50.0 feet distant northeasterly, measured at right angles and/or radially, from the centerline of the main track of said Norman Branch.

(**) EXCEPTING therefrom, all that portion of the SE¼SW¼ of said Section 18 lying southerly of a line parallel and/or concentric with and 25.0 feet distant southerly, measured at right angles and/or radially, from the centerline of the main track of said Norman Branch.

(***) EXCEPTING therefrom, all that portion of the NW¼NE¼ of said Section 3 lying easterly and westerly of lines parallel and/or concentric with and 50.0 feet distant easterly and westerly, measured at right angles and/or radially, from the centerline of the main track of said Norman Branch.

PIKE COUNTY

SECTIONS	TOWNSHIP	RANGE
24, 23, 22 and 21(*)	8 South	23 West
16, 15, 10(**), 9 and 4	7 South	23 West
33, 34, 28 and 21	6 South	23 West
29, 20 and 19	5 South	23 West
24, 13, 14, 11(***), 10(****),		

45

3(*****) and 4	5 South	24 West

(*) EXCEPTING therefrom, all that portion of said Section 21 lying southwesterly of a line drawn at right angles to the southwesterly extension of the centerline of track No.232-18 (a.k.a. Pike City Industrial Lead) of said Railroad Company, at a point thereon that is 50.00 distant southwesterly, measured along said centerline, from a point opposite the end of the last rail of said track.

(**) EXCEPTING therefrom, all that portion of the NW¼SW¼ of said Section 10 lying northeasterly of a line parallel and/or concentric with and 75.0 feet distant northeasterly, measured at right angles and/or radially, from the centerline of the main track of said Norman Branch.

(***) EXCEPTING therefrom, all that portion of said Section 11 lying northeasterly of a line parallel and/or concentric with and 50.0 feet distant northeasterly, measured at right angles and/or radially, from the centerline of the main track of said Norman Branch.

(****) EXCEPTING therefrom, all that portion of said Section 10 lying northeasterly of a line parallel and/or concentric with and 75.0 feet distant northeasterly, measured at right angles and/or radially, from the centerline of the main track of said Norman Branch.

(*****) EXCEPTING therefrom, all that portion of said Section 3 lying northeasterly and southwesterly of lines parallel and/or concentric with and 75.0 feet distant northeasterly and southwesterly, measured at right angles and/or radially, from the centerline of the main track of said Norman Branch.

MONTGOMERY COUNTY

SECTIONS	TOWNSHIP	RANGE
33, 28, 29(*), 20 and 19(**)	4 South	24 West

(*) EXCEPTING therefrom, all that portion of said Section 29 lying southwesterly of a line parallel and/or concentric with and 75.0 feet distant southwesterly, measured at right angles and/or radially, from the centerline of the main track of said Norman Branch.

(**) EXCEPTING therefrom, all that portion of said Section 19 lying northwesterly of a line drawn at right angles to the northwesterly extension of the centerline of said Branch at a point thereon that is 50.00 distant northwesterly, measured along said centerline, from a point opposite the end of the last rail of said Branch.

46

Schedule C

Items listed on Schedule B-II of that certain Commitment for Title Insurance No. 1963163 (STS File Number T-23793) issued by First American Title Insurance Company through State Title Services, Inc. With an effective date of February 22, 1992.

EXHIBIT D

NONE

COMMERCIAL MORTGAGE

I. GRANT OF MORTGAGE; OBLIGATIONS; MORTGAGED PREMISES.

KNOW ALL MEN BY THESE PRESENTS that Pioneer Valley Railroad Company, a Nevada corporation, having a chief executive place of business at 53 Southampton Road, Westfield, Massachusetts (hereinafter, jointly and severally, called the "Mortgagor") for valuable consideration, GRANTS unto BankBoston, N.A., a national banking association having a principal place of business at 100 Federal Street, Boston, Massachusetts, its successors and assigns (hereinafter called the "Mortgagee"), with **MORTGAGE COVENANTS**, the land, with all buildings and improvements thereon, on land located in Hampden and Hampshire Counties, Massachusetts (hereinafter called the "Premises") and being the property more fully described as follows:

SEE EXHIBITS "A-1", "A-2" AND "A-3" ATTACHED HERETO AND MADE A PART HEREOF.

To secure: (A) the payment of a promissory note of even date by Mortgagor in favor of Mortgagee in a principal amount of Five Million and 00/100 Dollars ($5,000,000.00) and any renewals, replacements, or modifications thereof (hereinafter called the "Note"); (B) the payment and performance of all covenants and agreements herein or in said Note; and (C) the payment and performance of any and all charges, claims, debts, agreements, liabilities and obligations of Mortgagor, or if more than one, any of them, to Mortgagee, whether now existing or hereafter arising, and whether arising out of this present financial transaction, or separate and unrelated thereto, absolute or contingent, direct or indirect, and whether as maker, endorser, guarantor, or otherwise (all hereinafter, in the aggregate, called the "Obligations").

It is the true, clear and express intention of Mortgagor that the continuing grant of this mortgage remain as security for payment and performance of the Obligations, whether now existing or hereinafter incurred, whether or not presently contemplated or otherwise related to this mortgage transaction by class or kind, and that notice of the continuing grant of this mortgage shall not be required to be stated on the face of any document representing any such Obligations, nor otherwise be identified as being secured by this mortgage, and if such Obligations shall remain or become that of less than all of the Mortgagor herein, any Mortgagor not liable therefor hereby expressly hypothecates their ownership interest in the Premises herein to the extent required to satisfy said Obligations, without restriction or limitation.

The Premises shall include, without limitation, as part of the realty, all easements, rights, royalties, minerals, oil and gas rights, all portable or sectional buildings at any time placed upon said

Premises, and all heating apparatus, furnaces, oil burners, fuel containers, and conveyers and burners, ranges, heaters, hot water heaters, pipes, plumbing and plumbing fixtures, air conditioners, gas and electric fixtures, screens, screen doors, storm doors and windows, shades, refrigerators, refrigerating and ice making apparatus, mantles, awnings, elevators, alarm systems, garbage incinerators, boilers, sprinklers, fire alarm and extinguishing equipment and systems, all motors, equipment, wiring, tubing, ducts, conduit, casements, and enclosures in connection with any of the foregoing, including all rail, ties, ballast, other track material, switches and signals located thereon and all property interest of Mortgagor in the leads, spurs, turnouts, signal and communication facilities, bridges, fixtures and all other operating and non-operating appurtenances to the lines of railroad set forth herein and all air rights over such lines of railroad, and also all other fixtures of whatever kind and nature now or hereafter placed or installed in or on the Premises, including any building(s) standing thereon, prior to the full payment and discharge of the Obligations secured by this mortgage, in any manner which renders such articles usable in connection therewith, insofar as the same will or can by agreement of parties be made a part of the realty.

II. TAXES AND INSURANCE

The Mortgagor covenants and agrees for itself, its executors, administrators, successors, and assigns:

(A) At Mortgagee's request, following an Event of Default to pay together with and in addition to the Obligations secured by this mortgage, an amount equal to one-twelfth (1/12th) of the known or estimated yearly taxes and assessments levied, or to be levied, against the Premises; said amount is to be paid monthly to Mortgagee, on the same day of each month that a payment of principal and/or interest is due hereunder; Mortgagee shall hold all such monthly payments, without obligation to pay interest thereon except as required by any applicable statute, to pay such taxes and assessments when due, but only to the extent of said monies paid to it, and without privity or lawful obligation to any third party, and with right to apply said sums, wholly or in part, at Mortgagee's sole and exclusive discretion, to any of the Obligations at any time, and even prior to default hereof, without enforcing any other right of Mortgagee as against any guarantors, or endorsers, or the Premises, insofar as the same is not in contravention of law and then to the extent so allowed; that if the total of monthly payments as made under this paragraph shall exceed the amounts of payments actually made by Mortgagee for taxes and/or assessments, as the case may be, such excess shall be credited to the amounts being held by Mortgagee for the future payment of taxes and/or assessments, but if the total of such monthly payments so made under this paragraph shall be insufficient to pay taxes and assessments when due, then Mortgagor will, upon demand, pay Mortgagee an amount necessary to make up the deficiency; This paragraph shall not be construed so as to limit in any way the right of Mortgagee, at its option, to pay any or all taxes and assessments when due.

(B) To pay when required, and in any event not less than five (5) days prior to the last day upon which the same may be paid without penalty or interest, all charges for insurance premiums and the use of water or electricity upon said Premises, now or hereafter due, and all other charges that may now or hereafter be assessed or imposed upon the Premises; should any charges for the use

of water or insurance premiums or other assessments remain unpaid after the date fixed for the payment of the same without penalty or interest, Mortgagee shall have the right, in addition to any other remedy provided by law or herein, to pay such charges and/or assessments, and the amount paid shall be added to the Obligations secured hereby and be payable on demand. Any such payment shall not act to cause a waiver or estoppel of the right of the Mortgagee to accelerate the Obligations.

(C) That no fixture on the Premises which is, or may be, used as an appurtenance to the building or buildings on the said Premises is, or will become subject to any security agreement, and that in the event there shall be hereafter placed on said Premises property under a security agreement, Mortgagor or those claiming title under him will make all payments under such agreement as and when due and payable.

(D) To keep at all times the Premises and any improvements thereto insured against fire and such other casualties, hazards, and perils as Mortgagee may require by a company or companies and in amounts satisfactory to Mortgagee, in its sole and exclusive discretion. All such insurance shall be for the benefit of Mortgagee, and the policies shall be deposited with and made payable in case of loss to Mortgagee. In case of collection of insurance for damage by fire or otherwise, Mortgagee shall have the right to apply the same either in repair of the Premises and/or in reduction of the Obligations, at Mortgagee's sole and exclusive discretion. In the event of foreclosure of this mortgage by exercise of the statutory power of sale or otherwise, all such insurance shall become the property of and belong to Mortgagee, without claim on the part of Mortgagor or any other party claiming under Mortgagor for compensation therefor, together with full irrevocable authority as attorney-in-fact for Mortgagor and all parties claiming under Mortgagor to cancel such insurance and retain any returned premiums for the sole use and benefit of Mortgagee or to transfer such insurance to the purchaser at the foreclosure sale, if foreclosure be by sale. If any law or ordinance now or hereafter requires the demolition of any portion of any building or other improvements remaining on the Premises after a partial or total loss by fire before the same may be rebuilt, Mortgagor shall keep said Mortgagee insured against loss by reason of such demolition. If the fee title to the Premises is acquired by Mortgagee, all right, title and interest of Mortgagor in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Premises prior to the sale or acquisition shall pass to Mortgagee to the extent of the Obligations immediately prior to such sale or acquisition.

(E). To keep the Premises and any improvements thereto in good first rate condition and repair and not to commit, permit or suffer any strip, waste, impairment, deterioration or alteration of the Premises or said improvements or any part thereof; nor to use or permit the Premises to be used in any manner or for any purpose that violates any law, municipal ordinance, or regulation.

III. DEFAULT.

Mortgagor covenants and agrees that a default under this mortgage shall occur: (a) upon failure of payment of any of the Obligations to Mortgagee when due; or (b) upon failure of payment of any tax, water, sewer, or other assessment after the same becomes due and payable; or (c) upon

failure to keep the Premises, improvements, and/or personal property covered by this mortgage insured against loss by fire or such other hazards as Mortgagee may require; or (d) upon failure to furnish, after request, a statement of the amount due on any other mortgage and whether any offsets or defenses exist against any such mortgage debt, and upon failure to furnish an operating or rent statement; or (e) upon failure to exhibit to Mortgagee receipts showing payment when due of all taxes, water, sewer, or other assessments, and interest and principal on any other mortgage; or (f) upon the actual demolition, destruction, or removal of the Premises or any improvement thereto, without the prior written consent of Mortgagee; or (g) upon the sale, transfer, vesting of the title, or mortgaging of any or all of the Premises, or upon the assignment of any rents or leases relating to the Premises or any part thereof, without Mortgagee's prior written consent; or (h) upon the failure to maintain the Premises in good repair and in rentable or tenantable condition, as Mortgagee, in its sole judgment shall determine; or (i) upon failure to comply with any requirement or order or notice of violation of law or ordinance issued by any governmental department claiming jurisdiction over the Premises within twenty (20) days from the issuance thereof; or (j) if Mortgagor fails to keep, observe, and perform any of the covenants, conditions, or agreements contained in this mortgage, or in any document reflecting the Obligations secured hereby, or by any other Mortgage, whether between the Mortgagor and Mortgagee or prior third parties; or (k) upon failure to pay any installment of principal or interest on any other mortgage upon the Premises after the same is due or failure to repay to Mortgagee on demand any amount which Mortgagee may have paid on such mortgage with interest thereon, or upon the institution of proceedings to foreclose any other mortgage; or (l) if proceedings under any bankruptcy or insolvency law are commenced by, or against Mortgagor, or if a general assignment for the benefit of creditors is made by Mortgagor, or if a trustee, trust mortgagee, custodian, or receiver of Mortgagor's property is appointed; or (m) if Mortgagor refuses to permit Mortgagee, its agents, or employees to inspect the premises at any time; or (n) if any lien should be created which, in the opinion of counsel for Mortgagee, is senior to this mortgage, or (o) if any levy or sale upon execution or other proceeding of any nature is begun whereby the owner of said Premises shall or may be deprived of title or right of possession to said Premises or any part thereof; or (p) upon any release of oil or hazardous materials on the Premises and/or upon the destruction by fire or otherwise of the Premises, or any improvements now or hereafter construed at or on the Premises thereto or (q) the failure of Mortgagor to perform any term, condition, covenant or agreement contained in, or the occurrence of a default or Event of Default under, any other note or any mortgage, loan and/or security agreement, guaranty, commitment letter or other agreement or obligation (whether now existing or hereinafter arising, and whether related or unrelated to the loan evidenced hereby) (collectively the "Loan Documents"), by Mortgagor in favor of Mortgagee; THEN, IN ANY OF THESE EVENTS, the Obligations then remaining unpaid shall, at the sole and exclusive option of Mortgagee, become immediately due and payable, without notice to or demand upon Mortgagor, and Mortgagee may start such proceedings as may be necessary to protect its interest in the Premises; and that in case proceedings to foreclose this mortgage by exercise of the power of sale are instituted, the holder of this mortgage shall be entitled to collect all cumulative costs, charges, interest at the highest rate set upon any of the Obligations, reasonable counsel fees, and expenses allowed by this mortgage or by any document(s) representing the Obligations, and in addition thereto, the same which may be due under the statutory power of sale up to the time of full payment of the Obligations.

IV. FEES.

In case of a foreclosure sale to a party other than Mortgagee, Mortgagee shall be entitled to five percent (5.00%) as a fee and not as a penalty, of the purchase money (exclusive of prior liens), in addition to all costs, fees, charges, and expenses allowed under the Statutory Power of Sale.

In case redemption is had by Mortgagor after foreclosure proceedings have been begun, the Mortgagee shall be entitled to collect all costs, charges, and expenses, including reasonable attorneys' fees, incurred up to the time of redemption plus a fee and not a penalty of five percent (5.00%) of the Obligations secured hereby.

V. NOTICE.

Any notice required or permitted to be given hereunder to or served upon Mortgagor shall be deemed to have been duly given or served if delivered to Mortgagor, or deposited in the United States mail, by certified or registered mail, postage prepaid, and addressed to the Mortgagor at any one or more of the following locations as Mortgagee may elect:

1. the last known address, according to Mortgagee's books and records, of any maker of any Note secured hereby;
2. all, or some portion of, the Premises;
3. any address at which Mortgagor resides or has a place of business; or
4. any address which Mortgagor may designate in a written notice to Mortgagee.

VI. RIGHTS OF MORTGAGEE - OTHER THAN DEFAULT.

Mortgagor hereby authorizes Mortgagee with respect to the Premises, or any portion thereof, to pay all costs and expenses determined by Mortgagee in good faith as being required or desirable to effectuate compliance with the covenants of the Mortgagor herein. Such authorization shall be in addition to and not in limitation of the rights of Mortgagee under law or under other applicable provisions herein, if any. There shall be included in such authorization, without limitation, the rights of Mortgagee:

A. To pay all taxes, assessments, and water and sewer fees, with interest, costs, and charges accruing thereon, which may at any time be or become a lien on the Premises, or any part thereof;

B. To pay the premiums for any insurance required hereunder;

C. To incur and pay in good faith, expenses in protecting its rights hereunder and in the security hereby granted, and in preserving and protecting the Premises; and

D. In the discretion of Mortgagee, to pay any installment and/or balance due under any mortgage(s) affecting the Premises, in whole or in part, if such mortgage(s) would otherwise be in default, and/or under any security agreement affecting any articles and/or fixtures included in or added to the Premises; and Mortgagor hereby covenants to notify Mortgagee promptly of the existence and the exact details of any such mortgage(s) and/or security agreement(s), and shall at any

time, at the express written request of Mortgagee, assign to Mortgagee any and all right, title, and interest that the Mortgagor may have in and to any and all such mortgage(s) or security agreement(s) and any tax or other escrow accounts established or held in connection therewith; and the Mortgagor hereby grants the power and authority to and constitutes and appoints the Mortgagee, or such persons as may be designated by it, the irrevocable attorney of Mortgagor, if Mortgagee shall so elect, to make such assignments, and such power shall be deemed irrevocable so long as any of the Obligations remain unpaid.

Any amounts paid under any one or more of the foregoing provisions or otherwise in accordance with this mortgage may be added to the Obligations secured hereby, such amounts to bear interest at the highest rate of interest provided for in any of the documents reflecting the Obligations, until the same are paid. Any sums paid hereunder by Mortgagor, as interest or otherwise, may be applied to the repayment of any amount so paid by Mortgagee.

Should legal or equitable ownership of any portion of the Premises be transferred or become vested in a party or entity other than Mortgagor, then: (1) the whole of the Obligations may be declared immediately due and payable without notice at any time, if Mortgagee so elects; and Mortgagee shall have such option of acceleration upon each and every subsequent transfer of ownership as aforesaid; and (2) Mortgagee may, without notice to or consent of Mortgagor, or any guarantor or endorser, deal with such successor or successor-in-interest with reference to this Mortgage and the Obligations hereby secured in the same manner as with Mortgagor, without in any way vitiating or discharging Mortgagor's liability hereunder or upon the Obligations. No sale of the Premises and no forbearance, with or without consideration therefor, on the part of Mortgagee and no extension of the time for payment of any or all of the Obligations, and no change in the terms and conditions of the Obligations shall operate to release, discharge, modify, or change, or affect the original liability of Mortgagor, [its/his/her] guarantors or endorsers, either in whole or in part. The execution of a bond, deed, or other promise to convey the Premises shall constitute a transfer or vesting sufficient to accelerate this mortgage.

Any waiver(s) by Mortgagee of any breach(es) hereof in any singular or continuing instance shall not be deemed, nor shall the same constitute, a waiver or estoppel as to any subsequent breach on the part of Mortgagor.

The Mortgagee shall have the right, but not the duty, to commence, appear in, or defend any action or proceeding purporting to affect the Premises and, in connection therewith, to incur and pay all costs and expenses, including its attorney's fees, in any such action in which Mortgagee shall appear. Mortgagor agrees to pay, on demand, any and all such expenses, including reasonable attorney's fees. Mortgagor hereby grants the power and authority to Mortgagee and constitutes and appoints Mortgagee or such persons as may be designated by the Mortgagee, the irrevocable attorney of Mortgagor, to make assignments of then existing leases or sub-leases (subject to the rights of any senior mortgagee) and agrees that, after such assignments, Mortgagee may modify and otherwise deal with all such leases or sub-leases or enter into new leases or sub-leases with the same power and discretion which said Mortgagee would have if it were the owner, free from any trust, including,

without limitation, the right to modify and extend such leases beyond the present term and beyond the term of this mortgage. Additionally, Mortgagee is hereby granted and shall at all times hereafter have all rights of a secured party, and Mortgagor shall have all duties of a debtor, as to all fixtures as defined by Section 9-313 of the Uniform Commercial Code, and all rents, income, leases, now in existence or hereinafter acquired.

The parties agree that in the event that a determination of Adequate Protection of Mortgagee is required under Section 362 or 363 of the Bankruptcy Reform Act of 1978 (Code), its successor, or Bankruptcy Rules in connection therewith, that:

A. The bargain of the parties at the time of lien creation hereunder in order to provide the Mortgagee with adequate protection to induce it to make the loan(s) and any included stated ratios contained herein or in any Loan Documents.

B. That in the event that the Mortgagor shall become a Debtor in any bankruptcy proceeding pursuant to the United States Bankruptcy Code (the "Code") and Mortgagee shall seek relief from automatic stay pursuant to §362 thereof, undersigned acknowledge(s) and agree(s) that the parties intend, as a negotiated condition of the making of this Mortgage that Mortgagee be granted immediate relief from stay upon such happening, and that this writing may be deemed conclusive evidence as to the negotiated ongoing intentions of the parties in this regard and is expressly intended to remain the principal basis upon which any Court shall make such determination.

C. That in the event that Mortgagor is the subject of any insolvency, bankruptcy, receivership, dissolution, reorganization or similar proceeding, federal or state, voluntary or involuntary, under any present or future law or act, Mortgagee is entitled to the automatic and absolute lifting of any automatic stay as to the enforcement of its remedies under the Loan Documents against the Premises, including specifically, but not limited to the stay imposed by Section 362 of the Code, as amended; Mortgagor hereby consents to the immediate lifting of any such automatic stay, and will not contest any motion by Mortgagee to lift such stay; Mortgagor and, if applicable, Guarantor(s) expressly acknowledge that (a) there is no equity in the Premises after consideration of the amounts owed Mortgagee and (b) the Premises is not now, and will never be necessary to any plan of reorganization of any type.

D. That in the event of any proceeding under the Code, that the said ratio of Collateral secured to Mortgagee to the amount of the Obligation (the "Collateral-To-Obligation-Ratio"), must be increased by an additional One Hundred Ten Percent (110%) over that set forth, in order to continue to provide minimum levels of Adequate Protection to Mortgagee due to the reduced expectation for present and future prospects of lien enforcement resulting from the existence of proceedings under the Code. This agreed minimum increase in said Collateral To Obligation

Ratio shall not act to bar Mortgagee from presenting evidence that even such increase is insufficient and leaves the Mortgagee without Adequate Protection, based upon the deteriorating nature or kind of Collateral, wholly or in part, in any instance.

E. That the parties agree that the costs of liquidating and collecting of Collateral, as well as the potential for rapid Collateral deterioration if Mortgagor is, at any time, subject to the Code, all require that the original Collateral-To-Obligation Ratio be increased, as aforesaid, as a requirement of minimum Adequate Protection, in addition to such other additional Adequate Protection as may be required by the Mortgagee.

F. The parties agree that these covenants shall be conclusive evidence in any proceeding to determine minimum Adequate Protection under the Code, as to the intention and agreement of the parties at both this time, and at all times hereinafter, until the Obligations to the Mortgagee, are paid in full.

G. That these agreements may be submitted to the Court in any such proceeding, by the Mortgagee, in its sole and exclusive discretion, as conclusive evidence as to the agreement of the parties at the time of such hearing, concerning minimum Adequate Protection to be provided to the Mortgagee at the time of presentment. PROVIDED, HOWEVER, that such submission shall not constitute a waiver of any default or breach hereunder, or of any other agreement by the Mortgagor to the Mortgagee, but shall remain only as evidence for the limited purposes stated herein.

H. PROVIDED, FURTHER that at all times the Mortgagee reserves, and does not waive Mortgagor's obligation to provide Adequate Protection prior to the Mortgagor's use of "cash collateral" as defined in Section 363 of the Code.

VII. MORTGAGOR'S COVENANTS.

Mortgagor agrees not to amend, modify, extend, or recast the terms and conditions of any prior mortgage(s) affecting the Premises or any note, claim, or obligation secured thereby and not to permit the holder of any prior mortgage(s) covering any or all of the Premises to advance any additional sums pursuant to said mortgage(s) which would constitute a lien senior to the lien of this mortgage.

The Mortgagor shall, upon receiving any knowledge or notice of any default under any other mortgage or security agreement upon this or other property, real or personal, give immediate written notice thereof to Mortgagee and shall give to Mortgagee a true copy of each and every notice, summons, legal process, legal paper, or other communication relating in any way to the same, immediately upon receipt thereof.

Mortgagor hereby authorizes and empowers Mortgagee, its agents, attorneys, employees,

successors and assigns to enter upon said Premises, without giving prior notice, and (i) remove secured personal property or collect rental payments of Mortgagor at any time, without cost or expense to it and/or (ii) conduct environmental studies, investigations, site assessments, soil borings and the like at the sole expense of the Mortgagor and in either case, without first making entry upon said Premises under this mortgage. Mortgagor also agrees that Mortgagee may, without first making entry upon said Premises under this mortgage, maintain use and occupation of the Premises without liability for payment of use and occupation, and without prior notice, for such time as may be necessary in the sole discretion of Mortgagee to foreclose and sell such personal property collateral.

Notwithstanding anything to the contrary which may be contained in this mortgage, Mortgagor covenants and agrees to comply strictly and in all respects with the requirements of Chapter 21E of Massachusetts General Laws, as the same may be amended from time to time, and to notify the Mortgagee promptly in the event of any "release" of "oil" or "hazardous materials", as those terms are defined in said statute, upon the Premises. Mortgagor covenants and agrees that Mortgagor is not and will not become involved in operations at the Premises or at other locations which could lead to the imposition on Mortgagor of liability under said Chapter 21E or under any similar applicable federal laws or regulations. In the event Mortgagor fails to comply with the requirements of said Chapter 21E, Mortgagee, may at its election, but without the obligation so to do, give such notices or cause such work to be performed at the Premises, or take any and all other actions as the Mortgagee deems necessary, as shall cure said failure of compliance, and any amounts paid as a result thereof, together with interest thereon from the date of payment at the rate of interest set forth in the Note secured by this mortgage, shall be immediately due and payable by Mortgagor to Mortgagee, and until paid, shall be added to and become a part of the Obligations secured hereby, and the same may be collected as part of said Obligations in any suit hereon or upon the Note; or Mortgagee, by the payment of any assessment, claim, or charge, may, if it sees fit, be thereby subrogated to the rights of the Commonwealth of Massachusetts, but no such advance shall be deemed to relieve Mortgagor from any default hereunder or impair any right or remedy consequent thereon. Mortgagor does hereby agree to indemnify, defend, and hold harmless Mortgagee, and its assigns, successors, and grantees, of and from any and all liabilities, assessments, suits, damages, costs and expenses, attorney's fees or judgments arising out of the handling and disposal of hazardous wastes and/or toxic substances, and any clean-up thereunder, including without limitation, the assertion of any lien pursuant to Section 13 of said Chapter 21E taking priority over the lien of this Mortgage; and Mortgagor further agrees to indemnify and hold harmless Mortgagee, and its assigns, successors, and grantees, from any and all infractions and liens arising from any liability or indebtedness to the Commonwealth of Massachusetts arising pursuant to the provisions of said Chapter 21E.

VIII. ADDITIONAL SECURITY.

As collateral security for the payment of the Obligations secured hereby, Mortgagor grants to Mortgagee a security interest in, and right of offset upon, all cash, chose-in-action, and deposit accounts of Mortgagor now or at any time hereafter in possession, custody, or control of Mortgagee, whether in trust or otherwise. The rights herein shall permit Mortgagee to transfer such funds or

property as may be deemed by Mortgagee to be appropriate so as to reduce or extinguish any of the Obligations of Mortgagor to Mortgagee. As additional collateral for payment of the Obligations, Mortgagor hereby assigns and grants a security interest to Mortgagee in all securities, debentures, and other documents representing value, both presently owned and hereinafter acquired, all inventory, equipment, fixtures, or other personal property of Mortgagor, upon or concerning the Premises, whether or not affixed to the real estate at any time, as well as all leases, tenancies-at-will, licenses, contracts for lease, contract rights, accounts and accounts receivable, arising from the use and occupation, lease or tenancy by any party upon the Premises, whether now or in the future. Mortgagor further assigns and grants a security interest to Mortgagee in all of Mortgagor's right, title, and interest in any and all claims to rebates, refunds, and abatements of real estate taxes pertaining to the Premises or any portion thereof.

IX. CONDEMNATION.

The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Premises or any part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Mortgagee. In the event of a total taking of the Premises, the proceeds shall be applied to the Obligations secured by this mortgage with the excess, if any, paid to Mortgagor. In the event of a partial taking of the Premises, unless Mortgagor and Mortgagee otherwise agree in writing, that proportion of the proceeds as is equal to the proportion of the original Obligations to the appraised value of the Premises at the time of the granting of this mortgage shall be paid to Mortgagee and applied to the Obligations. Any balance of the proceeds shall be paid to Mortgagor. If the property is abandoned by Mortgagor, or if, after notice by Mortgagee to Mortgagor, that the condemnor has offered to make an award or settle a claim for damages, Mortgagor fails to respond to Mortgagee within thirty (30) days from the date such notice is mailed, Mortgagee is authorized, as Mortgagor's attorney-in-fact, to collect the proceeds and to grant releases without further liability to Mortgagor and to apply the proceeds, at Mortgagee's sole and exclusive option, either to restoration or repair of the Premises or to the Obligations.

X. CONSTRUCTION.

All remedies provided in this Mortgage are separate, distinct and cumulative to any other right or remedy under this mortgage or afforded by law or equity, and each may be exercised concurrently, independently, or successively.

In the event that any provision or clause of this mortgage or any document evidencing the Obligations conflicts with applicable law, such conflict shall not affect other provisions of this mortgage which can be given effect without the conflicting provision and, to that extent the provisions of this mortgage and any such other document are declared to be severable.

If this mortgage is on a unit in a condominium or a planned unit development, Mortgagor shall perform all of Mortgagor's obligations under the declaration or covenants creating or governing

the condominium or planned unit development, the by-laws, and regulations of the condominium or planned unit development and constituent documents.

Mortgagor herein covenants that the underlying Obligations secured by this Mortgage are not consumer transactions, or otherwise subject to the provisions of M.G.L., Chapter 140D, Federal Reserve Board Regulation Z, or other consumer statutes or regulations and restrictions, without exception.

Any provision of this mortgage or other instrument executed in connection with the Obligations that is contrary to the Servicemen's Readjustment Act as amended, or to the regulations thereunder, shall be null and void to the extent that such provisions are so contrary; provided, however, that such regulations are or become applicable to the aforesaid Obligations.

This mortgage is upon the STATUTORY CONDITION and upon the further express condition that all covenants and agreements on the part of Mortgagor herein contained shall be kept and fully performed and that for any breach of any of the aforementioned conditions the holder hereof shall have the STATUTORY POWER OF SALE. In the exercise of the Power of Sale herein given, Mortgagee may elect to sell the Premises in two or more parcels, as may be determined by Mortgagee in its sole and exclusive discretion, and if Mortgagee elects to sell in parcels, said sales may be held from time-to-time, and the power shall not be exhausted until the entire Premises shall have been sold and the Obligations paid in full.

The word "Mortgagor" shall, if more than one person or entity executes this mortgage, include all such parties executing this mortgage (excluding witnesses), and the covenants and agreements herein contained shall be binding upon them jointly and severally, and shall bind the heirs, executors, administrators, successors, grantees, and assigns of such person or persons, subject to the limitations of law and of this instrument. If the context requires, the word "Mortgagor" and "Mortgagee" and the pronouns referring to them shall be construed as singular, plural, neuter, masculine or feminine, as may be applicable. The word "Premises" shall include the land and all buildings and improvements thereon.

The covenants and agreements of the following Rider(s) executed by Mortgage and recorded with this mortgage shall be incorporated into and shall amend and supplement the covenants and agreements of this Mortgage as if the Rider(s) were a part of this Mortgage.

ALL PARTIES TO THIS MORTGAGE, INCLUDING MORTGAGEE, HEREBY EXPRESSLY WAIVE ALL RIGHTS TO TRIAL BY JURY, AS TO ALL ISSUES, INCLUDING ANY COUNTERCLAIMS, WITHOUT EXCEPTION, IN ANY ACTION OR PROCEEDING RELATING, DIRECTLY OR INDIRECTLY, TO THIS COMMERCIAL MORTGAGE AND/OR OTHER INSTRUMENTS OR LOAN DOCUMENTS (IF ANY) EXECUTED IN CONNECTION HEREWITH.

This Mortgage shall be construed as a Massachusetts contract for all purposes and is intended

to take effect as a sealed instrument.

Signed as a sealed instrument this 23rd day of September, 1998.

PIONEER VALLEY
RAILROAD COMPANY

Witness

By: _____
John P. Levine, Vice President
It duly authorized

COMMONWEALTH OF MASSACHUSETTS
HAMPDEN, SS.

Then personally appeared the above named John P. Levine, Vice President and acknowledged the foregoing instrument to be his free act and deed and the free act and deed of Pioneer Valley Railroad Company before me this 23rd day of September, 1998.

Notary Public
My Commission Expires: 12-25-03

EXHIBIT "A-1"

Three (3) certain pieces of parcels of land situated in Easthampton, Hampshire County, Massachusetts, described in a deed dated May 5, 1986 and recorded in the Hampshire County Registry of Deeds at Book 2721, Page 91, and bounded and described as follows:

PARCEL "A"

A railroad right of way beginning at Station 5 + 30± running in a generally westerly direction to the easterly side of Meadow Road (so-called), said right of way consisting of all of the grantor's ownership which lies on either side of said centerline, be all of said measurements more or less, however otherwise bounded and described, said parcel containing an area of 400,750 square feet, more or less, and being shown upon plan marked: "Boston and Maine Corporation, Office of the Vice President - Engineering Easthampton, Mass., Land Sale Plan, Val. Sec. 42.3, Maps 1 & 2, Scale: 1 in. = 100ft., Date: May 29, 1984 Drawn, by: J.P. M., Checked by: J.N.G., Approved: V.C.M., Jr." recorded in said Registry.

PARCEL "B"

A railroad right of way, the centerline of which runs from the westerly side of Meadow Road (so-called), and runs in a generally westerly direction to the easterly side of Fern Road, said right of way consisting of all of the grantor's ownership which lies on either side of the centerline, be all of said measurements more or less, however otherwise bounded and described, said parcel containing an area of 213,440 square feet, more or less, and being shown upon plan herein above described.

PARCEL "C"

A railroad right of way, the centerline of which runs from the westerly side of Fern Road (so-called) in a generally westerly direction to the easterly side of Arthur Street (so-called) at Station 85 + 08±, said right of way consisting of all the grantor's ownership which lies on either side of the centerline, be all of said measurements more or less, however otherwise bounded and described, said parcel containing an area of 109,906 square feet, more or less, and being shown upon a plan hereinabove described.

These parcels are owned subject to and with the benefit of all rights and easements which Boston and Maine Railroad Corporation reserved in a permanent easement from It to Massachusetts Electric Company dated _____, 1986, and recorded in said Registry at Book _____, Page _____.

This conveyance is also made with the benefit of all crossing rights over and across Ferry Street, so-called, relative to the operation of the railroad.

These parcels are also subject to rights reserved in a certain deed dated May 5, 1986 and recorded in said Registry at Book 2721, Page 91.

EXHIBIT "A-2"

Two (2) certain pieces or parcels of land situated in Easthampton, Hampshire County, Massachusetts, described in a certain deed dated February 17, 1984 and recorded at the Hampshire County Registry of Deeds at Book 2471, Page 76, bounded and described as follows:

PARCEL "A"

A railroad right of way beginning at Station 85 + 60±, running in a generally westerly direction to the southerly side of Ferry Street (so-called), said right of way consisting of all of the grantor's ownership which lies on either side of said centerline, be all of said measurements more or less, however otherwise bounded and described, said parcel containing an area of 300,400 square feet, more or less, and being shown upon plan marked: "Boston and Maine Corporation, Office of the Vice President - Engineering, Easthampton, Mass., Land Sale Plan, Val. Sec. 42.3, Maps 2, 3 & 4, Scale: 1 in. = 100ft., dated Oct. 6, 1982, drawn by: J.P. M., checked by: V.C.M., approved by G.A.G.", recorded in said Registry.

PARCEL "B"

A railroad right of way, the centerline of which runs from the northerly side of Ferry Street (so-called), and runs in a generally southwesterly direction to Station 168+ 53± , said right of way consisting of all of the grantor's ownership which lies on either side of the centerline, be all of said measurements more or less, however otherwise bounded and described, said parcel containing an area of 144,800 square feet, more or less, and being shown upon plan herein above described.

There is included in these parcels that line of track (together with ties, ballast and other appurtenances), which was excluded and excepted from the deed from Boston and Maine Corporation to National Distributors, Inc., dated Dec. 8, 1983, and recorded in the Hampshire Country Registry of Deeds at Book 2412, Page 335, the centerline of which track, as shown on the plan referred to in said deed, to run from a point on the northeasterly sideline of the parcel described in said deed (which line is shown on a plan hereinabove referred to, to run South 42°11'56" East) in a generally southwesterly direction along the most northwesterly sideline of said parcel a total distance of 215 feet, together with all of the reserved rights of the Boston and Maine Corporation, its successors and assigns, to maintain and use said track in its present location and to operate locomotives, cars, and railroad equipment thereof, from time to time, and at any and all times, for the purpose of serving the land conveyed hereby by Boston and Maine Corporation to the Pioneer Valley Railroad Company, Inc., its successors and assigns, located on the northwesterly side of said track.

There is also included in this conveyance the right reserved to Boston and Maine Corporation, its successors and assigns, in said deed to National Distributors, Inc. to enter upon the parcel conveyed by said deed, from time to time and at any and all times, in order to inspect, repair, relay, renew, maintain and use said track, which right has been conveyed to Pioneer Valley Railroad Company, its successors and assigns.

There is also included with the above described property are all pipes, poles, wires and

underground facilities and all rights pertaining thereto which were excepted from the conveyance by Boston and Maine Corporation to National Distributors, Inc., as described in said deed, and there is also included in this conveyance all sections of railroad tracks, including, but not limited to, Boston and Maine Corporation's Easthampton Branch Line Track and railroad track material and/or appurtenances as are located within the limits of the parcel conveyed to National Distributors, Inc., as described in said deed, and all rights pertaining thereto, which tracks and rights were excepted from said conveyance to National Distributors, Inc., and which were conveyed to Pioneer Valley Railroad Company, its successors and assigns.

This property is owned subject to and with the benefit of all rights and easements which Boston and Maine Corporation reserved in its deed, dated Dec. 8, 1983, to National Distributors, Inc., which deed is recorded in Hampshire County Registry of Deeds at Book 2412, Page 335; and subject also to a permanent easement from the Boston and Maine Corporation to New England Power Company, dated August 26, 1983, and recorded in Hampshire County Registry of Deeds at Book 2382, Page 297.

This conveyance is also made with the benefit of all crossing rights over and across Ferry Street, so-called, relative to the operation of the railroad.

EXHIBIT "A-3"

Certain parcels of land in Hampden County and Hampshire County described in a certain deed from Consolidated Rail Corporation to Pioneer Valley Railroad Company dated June 30, 1982 and recorded in Hampden County Registry of Deeds at Book _____, Page _____, and recorded in the Hampshire County Registry of Deeds at Book _____, Page _____, meaning and intending to fully describe all of the parcels conveyed by said deed, including those referenced with maps attached, being bounded and described as follows:

PARCEL 1:

ALL THAT LINE of railroad, being a portion of Consolidated Rail Corporation's Florence Secondary Track identified as Line Code 4249 in the records of the United States Railway Association and also being a portion of the former Penn Central Transportation Company's line of railroad also known as the Florence Secondary Track as identified in the Registrar's Office of Hampden County in Book 4672 at Page 21 and

BEGINNING in Westfield, Hampden County, Massachusetts at Railroad Mile Post 0.0 as indicated on Railroad Valuation Map No. 500-9154-10B-61-4 and which Beginning point is northeast of the intersection of Parker Avenue and Pochassic Street; and thence extending from said Mile Post in a general northeasterly direction through Westfield and passing through Brick Yard to the Line dividing the Town of Westfield, Hampden County, Massachusetts from Town of Southampton, Hampshire County, Massachusetts..

EXCEPTING and RESERVING thereout and therefrom all right, title and interest in and to the properties described in Exhibit "B" hereof.

BEING a portion of the same premises which Robert W. Blanchette, Richard C. Bond and John H. McArthur, as Trustees of the property of Penn Central Transportation Company, Debtor by Conveyance Document No. PC-CRC-RP-86, dated March 30, 1976 and recorded in the Registrar's Office of Hampden County, Massachusetts on October 11, 1978 in Book 4672 at Page 11 etc., granted and conveyed unto Consolidated Rail Corporation.

PARCEL 2:

ALL THAT LINE of railroad being a portion of Consolidated Rail Corporation's Florence Secondary Track identified as Line Code 4249 in the records of the United States Railway Association and also being a portion of the former Penn Central Transportation Company's Line of Railroad also known as the Florence Secondary Track and identified in the Registrar's Office of Hampshire County, Massachusetts in Book 2058 at Page 310 and

BEGINNING at the Line dividing the Town of Westfield, Hampden County, Massachusetts and Town of Southampton, Hampshire County, Massachusetts and Extending from said line in a general northeasterly direction and passing through Southampton and continuing to its point of ENDING at Railroad Mile Post 11.9, as indicated on Railroad

Valuation Map No. 500-9154-011B-73-4, which is approximately 300 feet east of Pleasant and Ferry Streets in Easthampton, Hampshire County, Massachusetts.

BEING a portion of the same premises which Robert W. Blanchette, Richard C. Bond and John H. McArthur, as Trustees of the property of Penn Central Transportation Company, Debtor, by Conveyance Document No. PC-CRC-RP-87 dated March 30, 1976 and recorded on October 11, 1978 in the Registrar's Office of Hampshire County, Massachusetts in Book 2058 at Page 304 etc., granted and conveyed unto Consolidated Rail Corporation.

PARCEL 3:

Certain property in Westfield, West Springfield, and Holyoke described in a certain deed from Consolidated Rail Corporation to Pioneer Valley Railroad Company dated June 30, 1982 referenced above, bounded and described as follows:

ALL THAT LINE of railroad being a portion of Consolidated Rail Corporation's Holyoke Secondary identified as Line Code 4248 in the records of the United States Railway Association and also being a portion of the former Penn Central Transportation Company's line of railroad also known as the Holyoke Secondary Track (Line Code 4248) and further identified in the Hampden County Registrar's Office in Book 4672 at Page 18,

BEGINNING in Westfield, Hampden County, Massachusetts at Railroad Mile Post 31.2 and Station 1647+50 as indicated on Railroad Valuation Map No. 500-9154-010B-59-4 and further identified in the Hampden County Registrar's Office in Book 4672 at Page 42 and indicated on Page 107 in said Book, and thence continuing in a general northerly direction through Westfield across the Westfield River and Powder Mill Pond and thence continuing in a general easterly direction and passing through West Springfield to its point of Ending at Railroad Mile Post 43.5 as indicated on Railroad Valuation Map No. 150-9109-10-10-4 and which Mile Post is approximately 220 feet east of Lyman Street in Holyoke, Hampden County, Massachusetts.

EXCEPTING and RESERVING thereout and therefrom all right, title and interest in and to the properties described in Exhibit "B" hereof.

BEING a portion of the same premises which Robert W. Blanchette, Richard C. Bond and John H. McArthur, as Trustees of the property of Penn Central Transportation Company, Debtor by Conveyance Document No. PC-CRC-RP-86, dated March 30, 1976 and recorded in the Registrar's Office of Hampden County, Massachusetts on October 11, 1978 in Book 4672 at Page 11 etc., granted and conveyed unto Consolidated Rail Corporation.

EXHIBIT "B"

The following described parcels are excepted from and excluded from the properties described in Exhibit "A" above:

PARCEL 1:

ALL THAT CERTAIN parcel of land, located in Holyoke, Hampden County, Massachusetts, Situate in the vicinity of Appleton, Railroad and Front Streets, and designated as Parcel No. D (Property to be retained by Conrail) on a fragment copy of Railroad Valuation Map No. 9109-1-0-10 and being all the land, right, title and interest of Consolidated Rail Corporation indicated as Parcel D and by hatched lines on fragment map as Page B-7, which plan is recorded as an exhibit to the June 30, 1982 deed to Pioneer Valley Railroad Company, Inc. referenced above.

PARCEL 2

ALL THAT CERTAIN piece or parcel of land, located in Westfield, Hampden County, Massachusetts, Situate North of the Westfield River in the vicinity of Parker Avenue and Montgomery Street and is designated Parcel No. A (Interchange track to be retained by Conrail) on a fragment of map of Railroad Valuation Map No. 9154-010-B-61 and being all the land, right, title and interest of Consolidated Rail Corporation indicated as Parcel A and by hatched lines on said fragment map shown as B-3, which plan is recorded as an exhibit to the June 30, 1982 deed to Pioneer Valley Railroad Company, Inc. referenced above.

PARCEL 3:

ALL THAT CERTAIN parcel of land, located in Westfield, Hampden County, Massachusetts, Situate North of the Westfield River and Northwest of North Elm Street and Old Pochassic Street and is designated as Parcel No. B (The Boston and Albany right of way at the crossing with the New Haven Line (Holyoke Secondary) is to be retained by Conrail) on a fragment copy of Railroad Valuation Map No. 9154-010-B-61 and being all the land, right, title and interest of Consolidated Rail Corporation, indicated as Parcel B and by hatched lines on said fragment map shown as page B-3, which plan is recorded as an exhibit to the June 30, 1982 deed to Pioneer Valley Railroad Company, Inc. referenced above.

SUBJECT to an easement and right of the Pioneer Valley Railroad Company, Inc. to use the right of way through this Excepted and Reserved Parcel for railroad purposes and the right to operate, maintain and repair the track and crossing diamond this Excepted and Reserved Parcel, it being understood that the sole responsibility for maintenance of the crossing diamond will be at the sole cost and expenses of Pioneer Valley Railroad Company, Inc. and if at any time the railroad right of way easement ceases to be used for railroad purposes then the easement and right herein granted shall terminate as if never herein written.

PARCEL 4:

ALL THAT CERTAIN piece or parcel of land, located in Westfield, Hampden County, Massachusetts, Situate on the west side of the railroad right of way in the vicinity of railroad valuation station No. 1870-95.92, as is indicated on the hereinafter described map, and is designated Parcel No. C (Property to be retained by Conrail) on a fragment copy of Railroad Valuation Map No. 9154-011-B-63 and being all the land, right, title and interest of Consolidated Rail Corporation as indicated as Parcel C and by hatched lines on said fragment map as page B-5, which plan is recorded as an exhibit to the June 30, 1982 deed to Pioneer Valley Railroad Company, Inc. referenced above.

COMMERCIAL MORTGAGE

I. GRANT OF MORTGAGE; OBLIGATIONS; MORTGAGED PREMISES.

KNOW ALL MEN BY THESE PRESENTS that Pioneer Valley Railroad Company, a Nevada corporation, having a chief executive place of business at 53 Southampton Road, Westfield, Massachusetts (hereinafter, jointly and severally, called the "Mortgagor") for valuable consideration, GRANTS unto BankBoston, N.A., a national banking association having a principal place of business at 100 Federal Street, Boston, Massachusetts, its successors and assigns (hereinafter called the "Mortgagee"), with **MORTGAGE COVENANTS**, the land, with all buildings and improvements thereon, on land located in Hampden and Hampshire Counties, Massachusetts (hereinafter called the "Premises") and being the property more fully described as follows:

SEE EXHIBITS "A-1", "A-2" AND "A-3" ATTACHED HERETO AND MADE A PART HEREOF.

To secure: (A) the payment of a promissory note of even date by Mortgagor in favor of Mortgagee in a principal amount of Five Million and 00/100 Dollars ($5,000,000.00) and any renewals, replacements, or modifications thereof (hereinafter called the "Note"); (B) the payment and performance of all covenants and agreements herein or in said Note; and (C) the payment and performance of any and all charges, claims, debts, agreements, liabilities and obligations of Mortgagor, or if more than one, any of them, to Mortgagee, whether now existing or hereafter arising, and whether arising out of this present financial transaction, or separate and unrelated thereto, absolute or contingent, direct or indirect, and whether as maker, endorser, guarantor, or otherwise (all hereinafter, in the aggregate, called the "Obligations").

It is the true, clear and express intention of Mortgagor that the continuing grant of this mortgage remain as security for payment and performance of the Obligations, whether now existing or hereinafter incurred, whether or not presently contemplated or otherwise related to this mortgage transaction by class or kind, and that notice of the continuing grant of this mortgage shall not be required to be stated on the face of any document representing any such Obligations, nor otherwise be identified as being secured by this mortgage, and if such Obligations shall remain or become that of less than all of the Mortgagor herein, any Mortgagor not liable therefor hereby expressly hypothecates their ownership interest in the Premises herein to the extent required to satisfy said Obligations, without restriction or limitation.

The Premises shall include, without limitation, as part of the realty, all easements, rights, royalties, minerals, oil and gas rights, all portable or sectional buildings at any time placed upon said

Premises, and all heating apparatus, furnaces, oil burners, fuel containers, and conveyers and burners, ranges, heaters, hot water heaters, pipes, plumbing and plumbing fixtures, air conditioners, gas and electric fixtures, screens, screen doors, storm doors and windows, shades, refrigerators, refrigerating and ice making apparatus, mantles, awnings, elevators, alarm systems, garbage incinerators, boilers, sprinklers, fire alarm and extinguishing equipment and systems, all motors, equipment, wiring, tubing, ducts, conduit, casements, and enclosures in connection with any of the foregoing, including all rail, ties, ballast, other track material, switches and signals located thereon and all property interest of Mortgagor in the leads, spurs, turnouts, signal and communication facilities, bridges, fixtures and all other operating and non-operating appurtenances to the lines of railroad set forth herein and all air rights over such lines of railroad, and also all other fixtures of whatever kind and nature now or hereafter placed or installed in or on the Premises, including any building(s) standing thereon, prior to the full payment and discharge of the Obligations secured by this mortgage, in any manner which renders such articles usable in connection therewith, insofar as the same will or can by agreement of parties be made a part of the realty.

II. TAXES AND INSURANCE

The Mortgagor covenants and agrees for itself, its executors, administrators, successors, and assigns:

(A) At Mortgagee's request, following an Event of Default to pay together with and in addition to the Obligations secured by this mortgage, an amount equal to one-twelfth (1/12th) of the known or estimated yearly taxes and assessments levied, or to be levied, against the Premises; said amount is to be paid monthly to Mortgagee, on the same day of each month that a payment of principal and/or interest is due hereunder; Mortgagee shall hold all such monthly payments, without obligation to pay interest thereon except as required by any applicable statute, to pay such taxes and assessments when due, but only to the extent of said monies paid to it, and without privity or lawful obligation to any third party, and with right to apply said sums, wholly or in part, at Mortgagee's sole and exclusive discretion, to any of the Obligations at any time, and even prior to default hereof, without enforcing any other right of Mortgagee as against any guarantors, or endorsers, or the Premises, insofar as the same is not in contravention of law and then to the extent so allowed; that if the total of monthly payments as made under this paragraph shall exceed the amounts of payments actually made by Mortgagee for taxes and/or assessments, as the case may be, such excess shall be credited to the amounts being held by Mortgagee for the future payment of taxes and/or assessments, but if the total of such monthly payments so made under this paragraph shall be insufficient to pay taxes and assessments when due, then Mortgagor will, upon demand, pay Mortgagee an amount necessary to make up the deficiency; This paragraph shall not be construed so as to limit in any way the right of Mortgagee, at its option, to pay any or all taxes and assessments when due.

(B) To pay when required, and in any event not less than five (5) days prior to the last day upon which the same may be paid without penalty or interest, all charges for insurance premiums and the use of water or electricity upon said Premises, now or hereafter due, and all other charges that may now or hereafter be assessed or imposed upon the Premises; should any charges for the use

of water or insurance premiums or other assessments remain unpaid after the date fixed for the payment of the same without penalty or interest, Mortgagee shall have the right, in addition to any other remedy provided by law or herein, to pay such charges and/or assessments, and the amount paid shall be added to the Obligations secured hereby and be payable on demand. Any such payment shall not act to cause a waiver or estoppel of the right of the Mortgagee to accelerate the Obligations.

(C) That no fixture on the Premises which is, or may be, used as an appurtenance to the building or buildings on the said Premises is, or will become subject to any security agreement, and that in the event there shall be hereafter placed on said Premises property under a security agreement, Mortgagor or those claiming title under him will make all payments under such agreement as and when due and payable.

(D) To keep at all times the Premises and any improvements thereto insured against fire and such other casualties, hazards, and perils as Mortgagee may require by a company or companies and in amounts satisfactory to Mortgagee, in its sole and exclusive discretion. All such insurance shall be for the benefit of Mortgagee, and the policies shall be deposited with and made payable in case of loss to Mortgagee. In case of collection of insurance for damage by fire or otherwise, Mortgagee shall have the right to apply the same either in repair of the Premises and/or in reduction of the Obligations, at Mortgagee's sole and exclusive discretion. In the event of foreclosure of this mortgage by exercise of the statutory power of sale or otherwise, all such insurance shall become the property of and belong to Mortgagee, without claim on the part of Mortgagor or any other party claiming under Mortgagor for compensation therefor, together with full irrevocable authority as attorney-in-fact for Mortgagor and all parties claiming under Mortgagor to cancel such insurance and retain any returned premiums for the sole use and benefit of Mortgagee or to transfer such insurance to the purchaser at the foreclosure sale, if foreclosure be by sale. If any law or ordinance now or hereafter requires the demolition of any portion of any building or other improvements remaining on the Premises after a partial or total loss by fire before the same may be rebuilt, Mortgagor shall keep said Mortgagee insured against loss by reason of such demolition. If the fee title to the Premises is acquired by Mortgagee, all right, title and interest of Mortgagor in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Premises prior to the sale or acquisition shall pass to Mortgagee to the extent of the Obligations immediately prior to such sale or acquisition.

(E). To keep the Premises and any improvements thereto in good first rate condition and repair and not to commit, permit or suffer any strip, waste, impairment, deterioration or alteration of the Premises or said improvements or any part thereof; nor to use or permit the Premises to be used in any manner or for any purpose that violates any law, municipal ordinance, or regulation.

III. DEFAULT.

Mortgagor covenants and agrees that a default under this mortgage shall occur: (a) upon failure of payment of any of the Obligations to Mortgagee when due; or (b) upon failure of payment of any tax, water, sewer, or other assessment after the same becomes due and payable; or (c) upon

failure to keep the Premises, improvements, and/or personal property covered by this mortgage insured against loss by fire or such other hazards as Mortgagee may require; or (d) upon failure to furnish, after request, a statement of the amount due on any other mortgage and whether any offsets or defenses exist against any such mortgage debt, and upon failure to furnish an operating or rent statement; or (e) upon failure to exhibit to Mortgagee receipts showing payment when due of all taxes, water, sewer, or other assessments, and interest and principal on any other mortgage; or (f) upon the actual demolition, destruction, or removal of the Premises or any improvement thereto, without the prior written consent of Mortgagee; or (g) upon the sale, transfer, vesting of the title, or mortgaging of any or all of the Premises, or upon the assignment of any rents or leases relating to the Premises or any part thereof, without Mortgagee's prior written consent; or (h) upon the failure to maintain the Premises in good repair and in rentable or tenantable condition, as Mortgagee, in its sole judgment shall determine; or (i) upon failure to comply with any requirement or order or notice of violation of law or ordinance issued by any governmental department claiming jurisdiction over the Premises within twenty (20) days from the issuance thereof; or (j) if Mortgagor fails to keep, observe, and perform any of the covenants, conditions, or agreements contained in this mortgage, or in any document reflecting the Obligations secured hereby, or by any other Mortgage, whether between the Mortgagor and Mortgagee or prior third parties; or (k) upon failure to pay any installment of principal or interest on any other mortgage upon the Premises after the same is due or failure to repay to Mortgagee on demand any amount which Mortgagee may have paid on such mortgage with interest thereon, or upon the institution of proceedings to foreclose any other mortgage; or (l) if proceedings under any bankruptcy or insolvency law are commenced by, or against Mortgagor, or if a general assignment for the benefit of creditors is made by Mortgagor, or if a trustee, trust mortgagee, custodian, or receiver of Mortgagor's property is appointed; or (m) if Mortgagor refuses to permit Mortgagee, its agents, or employees to inspect the premises at any time; or (n) if any lien should be created which, in the opinion of counsel for Mortgagee, is senior to this mortgage, or (o) if any levy or sale upon execution or other proceeding of any nature is begun whereby the owner of said Premises shall or may be deprived of title or right of possession to said Premises or any part thereof; or (p) upon any release of oil or hazardous materials on the Premises and/or upon the destruction by fire or otherwise of the Premises, or any improvements now or hereafter construed at or on the Premises thereto or (q) the failure of Mortgagor to perform any term, condition, covenant or agreement contained in, or the occurrence of a default or Event of Default under, any other note or any mortgage, loan and/or security agreement, guaranty, commitment letter or other agreement or obligation (whether now existing or hereinafter arising, and whether related or unrelated to the loan evidenced hereby) (collectively the "Loan Documents"), by Mortgagor in favor of Mortgagee; THEN, IN ANY OF THESE EVENTS, the Obligations then remaining unpaid shall, at the sole and exclusive option of Mortgagee, become immediately due and payable, without notice to or demand upon Mortgagor, and Mortgagee may start such proceedings as may be necessary to protect its interest in the Premises; and that in case proceedings to foreclose this mortgage by exercise of the power of sale are instituted, the holder of this mortgage shall be entitled to collect all cumulative costs, charges, interest at the highest rate set upon any of the Obligations, reasonable counsel fees, and expenses allowed by this mortgage or by any document(s) representing the Obligations, and in addition thereto, the same which may be due under the statutory power of sale up to the time of full payment of the Obligations.

IV. FEES.

In case of a foreclosure sale to a party other than Mortgagee, Mortgagee shall be entitled to five percent (5.00%) as a fee and not as a penalty, of the purchase money (exclusive of prior liens), in addition to all costs, fees, charges, and expenses allowed under the Statutory Power of Sale.

In case redemption is had by Mortgagor after foreclosure proceedings have been begun, the Mortgagee shall be entitled to collect all costs, charges, and expenses, including reasonable attorneys' fees, incurred up to the time of redemption plus a fee and not a penalty of five percent (5.00%) of the Obligations secured hereby.

V. NOTICE.

Any notice required or permitted to be given hereunder to or served upon Mortgagor shall be deemed to have been duly given or served if delivered to Mortgagor, or deposited in the United States mail, by certified or registered mail, postage prepaid, and addressed to the Mortgagor at any one or more of the following locations as Mortgagee may elect:

1. the last known address, according to Mortgagee's books and records, of any maker of any Note secured hereby;
2. all, or some portion of, the Premises;
3. any address at which Mortgagor resides or has a place of business; or
4. any address which Mortgagor may designate in a written notice to Mortgagee.

VI. RIGHTS OF MORTGAGEE - OTHER THAN DEFAULT.

Mortgagor hereby authorizes Mortgagee with respect to the Premises, or any portion thereof, to pay all costs and expenses determined by Mortgagee in good faith as being required or desirable to effectuate compliance with the covenants of the Mortgagor herein. Such authorization shall be in addition to and not in limitation of the rights of Mortgagee under law or under other applicable provisions herein, if any. There shall be included in such authorization, without limitation, the rights of Mortgagee:

A. To pay all taxes, assessments, and water and sewer fees, with interest, costs, and charges accruing thereon, which may at any time be or become a lien on the Premises, or any part thereof;

B. To pay the premiums for any insurance required hereunder;

C. To incur and pay in good faith, expenses in protecting its rights hereunder and in the security hereby granted, and in preserving and protecting the Premises; and

D. In the discretion of Mortgagee, to pay any installment and/or balance due under any mortgage(s) affecting the Premises, in whole or in part, if such mortgage(s) would otherwise be in default, and/or under any security agreement affecting any articles and/or fixtures included in or added to the Premises; and Mortgagor hereby covenants to notify Mortgagee promptly of the existence and the exact details of any such mortgage(s) and/or security agreement(s), and shall at any

time, at the express written request of Mortgagee, assign to Mortgagee any and all right, title, and interest that the Mortgagor may have in and to any and all such mortgage(s) or security agreement(s) and any tax or other escrow accounts established or held in connection therewith; and the Mortgagor hereby grants the power and authority to and constitutes and appoints the Mortgagee, or such persons as may be designated by it, the irrevocable attorney of Mortgagor, if Mortgagee shall so elect, to make such assignments, and such power shall be deemed irrevocable so long as any of the Obligations remain unpaid.

Any amounts paid under any one or more of the foregoing provisions or otherwise in accordance with this mortgage may be added to the Obligations secured hereby, such amounts to bear interest at the highest rate of interest provided for in any of the documents reflecting the Obligations, until the same are paid. Any sums paid hereunder by Mortgagor, as interest or otherwise, may be applied to the repayment of any amount so paid by Mortgagee.

Should legal or equitable ownership of any portion of the Premises be transferred or become vested in a party or entity other than Mortgagor, then: (1) the whole of the Obligations may be declared immediately due and payable without notice at any time, if Mortgagee so elects; and Mortgagee shall have such option of acceleration upon each and every subsequent transfer of ownership as aforesaid; and (2) Mortgagee may, without notice to or consent of Mortgagor, or any guarantor or endorser, deal with such successor or successor-in-interest with reference to this Mortgage and the Obligations hereby secured in the same manner as with Mortgagor, without in any way vitiating or discharging Mortgagor's liability hereunder or upon the Obligations. No sale of the Premises and no forbearance, with or without consideration therefor, on the part of Mortgagee and no extension of the time for payment of any or all of the Obligations, and no change in the terms and conditions of the Obligations shall operate to release, discharge, modify, or change, or affect the original liability of Mortgagor, [its/his/her] guarantors or endorsers, either in whole or in part. The execution of a bond, deed, or other promise to convey the Premises shall constitute a transfer or vesting sufficient to accelerate this mortgage.

Any waiver(s) by Mortgagee of any breach(es) hereof in any singular or continuing instance shall not be deemed, nor shall the same constitute, a waiver or estoppel as to any subsequent breach on the part of Mortgagor.

The Mortgagee shall have the right, but not the duty, to commence, appear in, or defend any action or proceeding purporting to affect the Premises and, in connection therewith, to incur and pay all costs and expenses, including its attorney's fees, in any such action in which Mortgagee shall appear. Mortgagor agrees to pay, on demand, any and all such expenses, including reasonable attorney's fees. Mortgagor hereby grants the power and authority to Mortgagee and constitutes and appoints Mortgagee or such persons as may be designated by the Mortgagee, the irrevocable attorney of Mortgagor, to make assignments of then existing leases or sub-leases (subject to the rights of any senior mortgagee) and agrees that, after such assignments, Mortgagee may modify and otherwise deal with all such leases or sub-leases or enter into new leases or sub-leases with the same power and discretion which said Mortgagee would have if it were the owner, free from any trust, including,

without limitation, the right to modify and extend such leases beyond the present term and beyond the term of this mortgage. Additionally, Mortgagee is hereby granted and shall at all times hereafter have all rights of a secured party, and Mortgagor shall have all duties of a debtor, as to all fixtures as defined by Section 9-313 of the Uniform Commercial Code, and all rents, income, leases, now in existence or hereinafter acquired.

The parties agree that in the event that a determination of Adequate Protection of Mortgagee is required under Section 362 or 363 of the Bankruptcy Reform Act of 1978 (Code), its successor, or Bankruptcy Rules in connection therewith, that:

A. The bargain of the parties at the time of lien creation hereunder in order to provide the Mortgagee with adequate protection to induce it to make the loan(s) and any included stated ratios contained herein or in any Loan Documents.

B. That in the event that the Mortgagor shall become a Debtor in any bankruptcy proceeding pursuant to the United States Bankruptcy Code (the "Code") and Mortgagee shall seek relief from automatic stay pursuant to §362 thereof, undersigned acknowledge(s) and agree(s) that the parties intend, as a negotiated condition of the making of this Mortgage that Mortgagee be granted immediate relief from stay upon such happening, and that this writing may be deemed conclusive evidence as to the negotiated ongoing intentions of the parties in this regard and is expressly intended to remain the principal basis upon which any Court shall make such determination.

C. That in the event that Mortgagor is the subject of any insolvency, bankruptcy, receivership, dissolution, reorganization or similar proceeding, federal or state, voluntary or involuntary, under any present or future law or act, Mortgagee is entitled to the automatic and absolute lifting of any automatic stay as to the enforcement of its remedies under the Loan Documents against the Premises, including specifically, but not limited to the stay imposed by Section 362 of the Code, as amended; Mortgagor hereby consents to the immediate lifting of any such automatic stay, and will not contest any motion by Mortgagee to lift such stay; Mortgagor and, if applicable, Guarantor(s) expressly acknowledge that (a) there is no equity in the Premises after consideration of the amounts owed Mortgagee and (b) the Premises is not now, and will never be necessary to any plan of reorganization of any type.

D. That in the event of any proceeding under the Code, that the said ratio of Collateral secured to Mortgagee to the amount of the Obligation (the "Collateral-To-Obligation-Ratio"), must be increased by an additional One Hundred Ten Percent (110%) over that set forth, in order to continue to provide minimum levels of Adequate Protection to Mortgagee due to the reduced expectation for present and future prospects of lien enforcement resulting from the existence of proceedings under the Code. This agreed minimum increase in said Collateral To Obligation

Ratio shall not act to bar Mortgagee from presenting evidence that even such increase is insufficient and leaves the Mortgagee without Adequate Protection, based upon the deteriorating nature or kind of Collateral, wholly or in part, in any instance.

E. That the parties agree that the costs of liquidating and collecting of Collateral, as well as the potential for rapid Collateral deterioration if Mortgagor is, at any time, subject to the Code, all require that the original Collateral-To-Obligation Ratio be increased, as aforesaid, as a requirement of minimum Adequate Protection, in addition to such other additional Adequate Protection as may be required by the Mortgagee.

F. The parties agree that these covenants shall be conclusive evidence in any proceeding to determine minimum Adequate Protection under the Code, as to the intention and agreement of the parties at both this time, and at all times hereinafter, until the Obligations to the Mortgagee, are paid in full.

G. That these agreements may be submitted to the Court in any such proceeding, by the Mortgagee, in its sole and exclusive discretion, as conclusive evidence as to the agreement of the parties at the time of such hearing, concerning minimum Adequate Protection to be provided to the Mortgagee at the time of presentment. PROVIDED, HOWEVER, that such submission shall not constitute a waiver of any default or breach hereunder, or of any other agreement by the Mortgagor to the Mortgagee, but shall remain only as evidence for the limited purposes stated herein.

H. PROVIDED, FURTHER that at all times the Mortgagee reserves, and does not waive Mortgagor's obligation to provide Adequate Protection prior to the Mortgagor's use of "cash collateral" as defined in Section 363 of the Code.

VII. MORTGAGOR'S COVENANTS.

Mortgagor agrees not to amend, modify, extend, or recast the terms and conditions of any prior mortgage(s) affecting the Premises or any note, claim, or obligation secured thereby and not to permit the holder of any prior mortgage(s) covering any or all of the Premises to advance any additional sums pursuant to said mortgage(s) which would constitute a lien senior to the lien of this mortgage.

The Mortgagor shall, upon receiving any knowledge or notice of any default under any other mortgage or security agreement upon this or other property, real or personal, give immediate written notice thereof to Mortgagee and shall give to Mortgagee a true copy of each and every notice, summons, legal process, legal paper, or other communication relating in any way to the same, immediately upon receipt thereof.

Mortgagor hereby authorizes and empowers Mortgagee, its agents, attorneys, employees,

successors and assigns to enter upon said Premises, without giving prior notice, and (i) remove secured personal property or collect rental payments of Mortgagor at any time, without cost or expense to it and/or (ii) conduct environmental studies, investigations, site assessments, soil borings and the like at the sole expense of the Mortgagor and in either case, without first making entry upon said Premises under this mortgage. Mortgagor also agrees that Mortgagee may, without first making entry upon said Premises under this mortgage, maintain use and occupation of the Premises without liability for payment of use and occupation, and without prior notice, for such time as may be necessary in the sole discretion of Mortgagee to foreclose and sell such personal property collateral.

Notwithstanding anything to the contrary which may be contained in this mortgage, Mortgagor covenants and agrees to comply strictly and in all respects with the requirements of Chapter 21E of Massachusetts General Laws, as the same may be amended from time to time, and to notify the Mortgagee promptly in the event of any "release" of "oil" or "hazardous materials", as those terms are defined in said statute, upon the Premises. Mortgagor covenants and agrees that Mortgagor is not and will not become involved in operations at the Premises or at other locations which could lead to the imposition on Mortgagor of liability under said Chapter 21E or under any similar applicable federal laws or regulations. In the event Mortgagor fails to comply with the requirements of said Chapter 21E, Mortgagee, may at its election, but without the obligation so to do, give such notices or cause such work to be performed at the Premises, or take any and all other actions as the Mortgagee deems necessary, as shall cure said failure of compliance, and any amounts paid as a result thereof, together with interest thereon from the date of payment at the rate of interest set forth in the Note secured by this mortgage, shall be immediately due and payable by Mortgagor to Mortgagee, and until paid, shall be added to and become a part of the Obligations secured hereby, and the same may be collected as part of said Obligations in any suit hereon or upon the Note; or Mortgagee, by the payment of any assessment, claim, or charge, may, if it sees fit, be thereby subrogated to the rights of the Commonwealth of Massachusetts, but no such advance shall be deemed to relieve Mortgagor from any default hereunder or impair any right or remedy consequent thereon. Mortgagor does hereby agree to indemnify, defend, and hold harmless Mortgagee, and its assigns, successors, and grantees, of and from any and all liabilities, assessments, suits, damages, costs and expenses, attorney's fees or judgments arising out of the handling and disposal of hazardous wastes and/or toxic substances, and any clean-up thereunder, including without limitation, the assertion of any lien pursuant to Section 13 of said Chapter 21E taking priority over the lien of this Mortgage; and Mortgagor further agrees to indemnify and hold harmless Mortgagee, and its assigns, successors, and grantees, from any and all infractions and liens arising from any liability or indebtedness to the Commonwealth of Massachusetts arising pursuant to the provisions of said Chapter 21E.

VIII. ADDITIONAL SECURITY.

As collateral security for the payment of the Obligations secured hereby, Mortgagor grants to Mortgagee a security interest in, and right of offset upon, all cash, chose-in-action, and deposit accounts of Mortgagor now or at any time hereafter in possession, custody, or control of Mortgagee, whether in trust or otherwise. The rights herein shall permit Mortgagee to transfer such funds or

property as may be deemed by Mortgagee to be appropriate so as to reduce or extinguish any of the Obligations of Mortgagor to Mortgagee. As additional collateral for payment of the Obligations, Mortgagor hereby assigns and grants a security interest to Mortgagee in all securities, debentures, and other documents representing value, both presently owned and hereinafter acquired, all inventory, equipment, fixtures, or other personal property of Mortgagor, upon or concerning the Premises, whether or not affixed to the real estate at any time, as well as all leases, tenancies-at-will, licenses, contracts for lease, contract rights, accounts and accounts receivable, arising from the use and occupation, lease or tenancy by any party upon the Premises, whether now or in the future. Mortgagor further assigns and grants a security interest to Mortgagee in all of Mortgagor's right, title, and interest in any and all claims to rebates, refunds, and abatements of real estate taxes pertaining to the Premises or any portion thereof.

IX. CONDEMNATION.

The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Premises or any part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Mortgagee. In the event of a total taking of the Premises, the proceeds shall be applied to the Obligations secured by this mortgage with the excess, if any, paid to Mortgagor. In the event of a partial taking of the Premises, unless Mortgagor and Mortgagee otherwise agree in writing, that proportion of the proceeds as is equal to the proportion of the original Obligations to the appraised value of the Premises at the time of the granting of this mortgage shall be paid to Mortgagee and applied to the Obligations. Any balance of the proceeds shall be paid to Mortgagor. If the property is abandoned by Mortgagor, or if, after notice by Mortgagee to Mortgagor, that the condemnor has offered to make an award or settle a claim for damages, Mortgagor fails to respond to Mortgagee within thirty (30) days from the date such notice is mailed, Mortgagee is authorized, as Mortgagor's attorney-in-fact, to collect the proceeds and to grant releases without further liability to Mortgagor and to apply the proceeds, at Mortgagee's sole and exclusive option, either to restoration or repair of the Premises or to the Obligations.

X. CONSTRUCTION.

All remedies provided in this Mortgage are separate, distinct and cumulative to any other right or remedy under this mortgage or afforded by law or equity, and each may be exercised concurrently, independently, or successively.

In the event that any provision or clause of this mortgage or any document evidencing the Obligations conflicts with applicable law, such conflict shall not affect other provisions of this mortgage which can be given effect without the conflicting provision and, to that extent the provisions of this mortgage and any such other document are declared to be severable.

If this mortgage is on a unit in a condominium or a planned unit development, Mortgagor shall perform all of Mortgagor's obligations under the declaration or covenants creating or governing

the condominium or planned unit development, the by-laws, and regulations of the condominium or planned unit development and constituent documents.

Mortgagor herein covenants that the underlying Obligations secured by this Mortgage are not consumer transactions, or otherwise subject to the provisions of M.G.L., Chapter 140D, Federal Reserve Board Regulation Z, or other consumer statutes or regulations and restrictions, without exception.

Any provision of this mortgage or other instrument executed in connection with the Obligations that is contrary to the Servicemen's Readjustment Act as amended, or to the regulations thereunder, shall be null and void to the extent that such provisions are so contrary; provided, however, that such regulations are or become applicable to the aforesaid Obligations.

This mortgage is upon the STATUTORY CONDITION and upon the further express condition that all covenants and agreements on the part of Mortgagor herein contained shall be kept and fully performed and that for any breach of any of the aforementioned conditions the holder hereof shall have the STATUTORY POWER OF SALE. In the exercise of the Power of Sale herein given, Mortgagee may elect to sell the Premises in two or more parcels, as may be determined by Mortgagee in its sole and exclusive discretion, and if Mortgagee elects to sell in parcels, said sales may be held from time-to-time, and the power shall not be exhausted until the entire Premises shall have been sold and the Obligations paid in full.

The word "Mortgagor" shall, if more than one person or entity executes this mortgage, include all such parties executing this mortgage (excluding witnesses), and the covenants and agreements herein contained shall be binding upon them jointly and severally, and shall bind the heirs, executors, administrators, successors, grantees, and assigns of such person or persons, subject to the limitations of law and of this instrument. If the context requires, the word "Mortgagor" and "Mortgagee" and the pronouns referring to them shall be construed as singular, plural, neuter, masculine or feminine, as may be applicable. The word "Premises" shall include the land and all buildings and improvements thereon.

The covenants and agreements of the following Rider(s) executed by Mortgage and recorded with this mortgage shall be incorporated into and shall amend and supplement the covenants and agreements of this Mortgage as if the Rider(s) were a part of this Mortgage.

ALL PARTIES TO THIS MORTGAGE, INCLUDING MORTGAGEE, HEREBY EXPRESSLY WAIVE ALL RIGHTS TO TRIAL BY JURY, AS TO ALL ISSUES, INCLUDING ANY COUNTERCLAIMS, WITHOUT EXCEPTION, IN ANY ACTION OR PROCEEDING RELATING, DIRECTLY OR INDIRECTLY, TO THIS COMMERCIAL MORTGAGE AND/OR OTHER INSTRUMENTS OR LOAN DOCUMENTS (IF ANY) EXECUTED IN CONNECTION HEREWITH.

This Mortgage shall be construed as a Massachusetts contract for all purposes and is intended

to take effect as a sealed instrument.

Signed as a sealed instrument this 23rd day of September, 1998.

PIONEER VALLEY
RAILROAD COMPANY

Witness

By: _____
John P. Levine, Vice President
It duly authorized

COMMONWEALTH OF MASSACHUSETTS
HAMPDEN, SS.

Then personally appeared the above named John P. Levine, Vice President and acknowledged the foregoing instrument to be his free act and deed and the free act and deed of Pioneer Valley Railroad Company before me this 23rd day of September, 1998.

Notary Public
My Commission Expires: 12-25-03

EXHIBIT "A-1"

Three (3) certain pieces of parcels of land situated in Easthampton, Hampshire County, Massachusetts, described in a deed dated May 5, 1986 and recorded in the Hampshire County Registry of Deeds at Book 2721, Page 91, and bounded and described as follows:

PARCEL "A"

A railroad right of way beginning at Station 5 + 30± running in a generally westerly direction to the easterly side of Meadow Road (so-called), said right of way consisting of all of the grantor's ownership which lies on either side of said centerline, be all of said measurements more or less, however otherwise bounded and described, said parcel containing an area of 400,750 square feet, more or less, and being shown upon plan marked: "Boston and Maine Corporation, Office of the Vice President - Engineering Easthampton, Mass., Land Sale Plan, Val. Sec. 42.3, Maps 1 & 2, Scale: 1 in. = 100ft., Date: May 29, 1984 Drawn, by: J.P. M., Checked by: J.N.G., Approved: V.C.M., Jr." recorded in said Registry.

PARCEL "B"

A railroad right of way, the centerline of which runs from the westerly side of Meadow Road (so-called), and runs in a generally westerly direction to the easterly side of Fern Road, said right of way consisting of all of the grantor's ownership which lies on either side of the centerline, be all of said measurements more or less, however otherwise bounded and described, said parcel containing an area of 213,440 square feet, more or less, and being shown upon plan herein above described.

PARCEL "C"

A railroad right of way, the centerline of which runs from the westerly side of Fern Road (so-called) in a generally westerly direction to the easterly side of Arthur Street (so-called) at Station 85 + 08±, said right of way consisting of all the grantor's ownership which lies on either side of the centerline, be all of said measurements more or less, however otherwise bounded and described, said parcel containing an area of 109,906 square feet, more or less, and being shown upon a plan hereinabove described.

These parcels are owned subject to and with the benefit of all rights and easements which Boston and Maine Railroad Corporation reserved in a permanent easement from It to Massachusetts Electric Company dated _____, 1986, and recorded in said Registry at Book _____, Page _____.

This conveyance is also made with the benefit of all crossing rights over and across Ferry Street, so-called, relative to the operation of the railroad.

These parcels are also subject to rights reserved in a certain deed dated May 5, 1986 and recorded in said Registry at Book 2721, Page 91.

EXHIBIT "A-2"

Two (2) certain pieces or parcels of land situated in Easthampton, Hampshire County, Massachusetts, described in a certain deed dated February 17, 1984 and recorded at the Hampshire County Registry of Deeds at Book 2471, Page 76, bounded and described as follows:

PARCEL "A"

A railroad right of way beginning at Station 85 + 60±, running in a generally westerly direction to the southerly side of Ferry Street (so-called), said right of way consisting of all of the grantor's ownership which lies on either side of said centerline, be all of said measurements more or less, however otherwise bounded and described, said parcel containing an area of 300,400 square feet, more or less, and being shown upon plan marked: "Boston and Maine Corporation, Office of the Vice President - Engineering, Easthampton, Mass., Land Sale Plan, Val. Sec. 42.3, Maps 2, 3 & 4, Scale: 1 in. = 100ft., dated Oct. 6, 1982, drawn by: J.P. M., checked by: V.C.M., approved by G.A.G.", recorded in said Registry.

PARCEL "B"

A railroad right of way, the centerline of which runs from the northerly side of Ferry Street (so-called), and runs in a generally southwesterly direction to Station 168+ 53± , said right of way consisting of all of the grantor's ownership which lies on either side of the centerline, be all of said measurements more or less, however otherwise bounded and described, said parcel containing an area of 144,800 square feet, more or less, and being shown upon plan herein above described.

There is included in these parcels that line of track (together with ties, ballast and other appurtenances), which was excluded and excepted from the deed from Boston and Maine Corporation to National Distributors, Inc., dated Dec. 8, 1983, and recorded in the Hampshire Country Registry of Deeds at Book 2412, Page 335, the centerline of which track, as shown on the plan referred to in said deed, to run from a point on the northeasterly sideline of the parcel described in said deed (which line is shown on a plan hereinabove referred to, to run South 42°11'56" East) in a generally southwesterly direction along the most northwesterly sideline of said parcel a total distance of 215 feet, together with all of the reserved rights of the Boston and Maine Corporation, its successors and assigns, to maintain and use said track in its present location and to operate locomotives, cars, and railroad equipment thereof, from time to time, and at any and all times, for the purpose of serving the land conveyed hereby by Boston and Maine Corporation to the Pioneer Valley Railroad Company, Inc., its successors and assigns, located on the northwesterly side of said track.

There is also included in this conveyance the right reserved to Boston and Maine Corporation, its successors and assigns, in said deed to National Distributors, Inc. to enter upon the parcel conveyed by said deed, from time to time and at any and all times, in order to inspect, repair, relay, renew, maintain and use said track, which right has been conveyed to Pioneer Valley Railroad Company, its successors and assigns.

There is also included with the above described property are all pipes, poles, wires and

underground facilities and all rights pertaining thereto which were excepted from the conveyance by Boston and Maine Corporation to National Distributors, Inc., as described in said deed, and there is also included in this conveyance all sections of railroad tracks, including, but not limited to, Boston and Maine Corporation's Easthampton Branch Line Track and railroad track material and/or appurtenances as are located within the limits of the parcel conveyed to National Distributors, Inc., as described in said deed, and all rights pertaining thereto, which tracks and rights were excepted from said conveyance to National Distributors, Inc., and which were conveyed to Pioneer Valley Railroad Company, its successors and assigns.

This property is owned subject to and with the benefit of all rights and easements which Boston and Maine Corporation reserved in its deed, dated Dec. 8, 1983, to National Distributors, Inc., which deed is recorded in Hampshire County Registry of Deeds at Book 2412, Page 335; and subject also to a permanent easement from the Boston and Maine Corporation to New England Power Company, dated August 26, 1983, and recorded in Hampshire County Registry of Deeds at Book 2382, Page 297.

This conveyance is also made with the benefit of all crossing rights over and across Ferry Street, so-called, relative to the operation of the railroad.

EXHIBIT "A-3"

Certain parcels of land in Hampden County and Hampshire County described in a certain deed from Consolidated Rail Corporation to Pioneer Valley Railroad Company dated June 30, 1982 and recorded in Hampden County Registry of Deeds at Book _____, Page _____, and recorded in the Hampshire County Registry of Deeds at Book _____, Page _____, meaning and intending to fully describe all of the parcels conveyed by said deed, including those referenced with maps attached, being bounded and described as follows:

PARCEL 1:

ALL THAT LINE of railroad, being a portion of Consolidated Rail Corporation's Florence Secondary Track identified as Line Code 4249 in the records of the United States Railway Association and also being a portion of the former Penn Central Transportation Company's line of railroad also known as the Florence Secondary Track as identified in the Registrar's Office of Hampden County in Book 4672 at Page 21 and

BEGINNING in Westfield, Hampden County, Massachusetts at Railroad Mile Post 0.0 as indicated on Railroad Valuation Map No. 500-9154-10B-61-4 and which Beginning point is northeast of the intersection of Parker Avenue and Pochassic Street; and thence extending from said Mile Post in a general northeasterly direction through Westfield and passing through Brick Yard to the Line dividing the Town of Westfield, Hampden County, Massachusetts from Town of Southampton, Hampshire County, Massachusetts..

EXCEPTING and RESERVING thereout and therefrom all right, title and interest in and to the properties described in Exhibit "B" hereof.

BEING a portion of the same premises which Robert W. Blanchette, Richard C. Bond and John H. McArthur, as Trustees of the property of Penn Central Transportation Company, Debtor by Conveyance Document No. PC-CRC-RP-86, dated March 30, 1976 and recorded in the Registrar's Office of Hampden County, Massachusetts on October 11, 1978 in Book 4672 at Page 11 etc., granted and conveyed unto Consolidated Rail Corporation.

PARCEL 2:

ALL THAT LINE of railroad being a portion of Consolidated Rail Corporation's Florence Secondary Track identified as Line Code 4249 in the records of the United States Railway Association and also being a portion of the former Penn Central Transportation Company's Line of Railroad also known as the Florence Secondary Track and identified in the Registrar's Office of Hampshire County, Massachusetts in Book 2058 at Page 310 and

BEGINNING at the Line dividing the Town of Westfield, Hampden County, Massachusetts and Town of Southampton, Hampshire County, Massachusetts and Extending from said line in a general northeasterly direction and passing through Southampton and continuing to its point of ENDING at Railroad Mile Post 11.9, as indicated on Railroad

Valuation Map No. 500-9154-011B-73-4, which is approximately 300 feet east of Pleasant and Ferry Streets in Easthampton, Hampshire County, Massachusetts.

BEING a portion of the same premises which Robert W. Blanchette, Richard C. Bond and John H. McArthur, as Trustees of the property of Penn Central Transportation Company, Debtor, by Conveyance Document No. PC-CRC-RP-87 dated March 30, 1976 and recorded on October 11, 1978 in the Registrar's Office of Hampshire County, Massachusetts in Book 2058 at Page 304 etc., granted and conveyed unto Consolidated Rail Corporation.

PARCEL 3:

Certain property in Westfield, West Springfield, and Holyoke described in a certain deed from Consolidated Rail Corporation to Pioneer Valley Railroad Company dated June 30, 1982 referenced above, bounded and described as follows:

ALL THAT LINE of railroad being a portion of Consolidated Rail Corporation's Holyoke Secondary identified as Line Code 4248 in the records of the United States Railway Association and also being a portion of the former Penn Central Transportation Company's line of railroad also known as the Holyoke Secondary Track (Line Code 4248) and further identified in the Hampden County Registrar's Office in Book 4672 at Page 18,

BEGINNING in Westfield, Hampden County, Massachusetts at Railroad Mile Post 31.2 and Station 1647+50 as indicated on Railroad Valuation Map No. 500-9154-010B-59-4 and further identified in the Hampden County Registrar's Office in Book 4672 at Page 42 and indicated on Page 107 in said Book, and thence continuing in a general northerly direction through Westfield across the Westfield River and Powder Mill Pond and thence continuing in a general easterly direction and passing through West Springfield to its point of Ending at Railroad Mile Post 43.5 as indicated on Railroad Valuation Map No. 150-9109-10-10-4 and which Mile Post is approximately 220 feet east of Lyman Street in Holyoke, Hampden County, Massachusetts.

EXCEPTING and RESERVING thereout and therefrom all right, title and interest in and to the properties described in Exhibit "B" hereof.

BEING a portion of the same premises which Robert W. Blanchette, Richard C. Bond and John H. McArthur, as Trustees of the property of Penn Central Transportation Company, Debtor by Conveyance Document No. PC-CRC-RP-86, dated March 30, 1976 and recorded in the Registrar's Office of Hampden County, Massachusetts on October 11, 1978 in Book 4672 at Page 11 etc., granted and conveyed unto Consolidated Rail Corporation.

EXHIBIT "B"

The following described parcels are excepted from and excluded from the properties described in Exhibit "A" above:

PARCEL 1:

ALL THAT CERTAIN parcel of land, located in Holyoke, Hampden County, Massachusetts, Situate in the vicinity of Appleton, Railroad and Front Streets, and designated as Parcel No. D (Property to be retained by Conrail) on a fragment copy of Railroad Valuation Map No. 9109-1-0-10 and being all the land, right, title and interest of Consolidated Rail Corporation indicated as Parcel D and by hatched lines on fragment map as Page B-7, which plan is recorded as an exhibit to the June 30, 1982 deed to Pioneer Valley Railroad Company, Inc. referenced above.

PARCEL 2

ALL THAT CERTAIN piece or parcel of land, located in Westfield, Hampden County, Massachusetts, Situate North of the Westfield River in the vicinity of Parker Avenue and Montgomery Street and is designated Parcel No. A (Interchange track to be retained by Conrail) on a fragment of map of Railroad Valuation Map No. 9154-010-B-61 and being all the land, right, title and interest of Consolidated Rail Corporation indicated as Parcel A and by hatched lines on said fragment map shown as B-3, which plan is recorded as an exhibit to the June 30, 1982 deed to Pioneer Valley Railroad Company, Inc. referenced above.

PARCEL 3:

ALL THAT CERTAIN parcel of land, located in Westfield, Hampden County, Massachusetts, Situate North of the Westfield River and Northwest of North Elm Street and Old Pochassic Street and is designated as Parcel No. B (The Boston and Albany right of way at the crossing with the New Haven Line (Holyoke Secondary) is to be retained by Conrail) on a fragment copy of Railroad Valuation Map No. 9154-010-B-61 and being all the land, right, title and interest of Consolidated Rail Corporation, indicated as Parcel B and by hatched lines on said fragment map shown as page B-3, which plan is recorded as an exhibit to the June 30, 1982 deed to Pioneer Valley Railroad Company, Inc. referenced above.

SUBJECT to an easement and right of the Pioneer Valley Railroad Company, Inc. to use the right of way through this Excepted and Reserved Parcel for railroad purposes and the right to operate, maintain and repair the track and crossing diamond this Excepted and Reserved Parcel, it being understood that the sole responsibility for maintenance of the crossing diamond will be at the sole cost and expenses of Pioneer Valley Railroad Company, Inc. and if at any time the railroad right of way easement ceases to be used for railroad purposes then the easement and right herein granted shall terminate as if never herein written.

PARCEL 4:

ALL THAT CERTAIN piece or parcel of land, located in Westfield, Hampden County, Massachusetts, Situate on the west side of the railroad right of way in the vicinity of railroad valuation station No. 1870-95.92, as is indicated on the hereinafter described map, and is designated Parcel No. C (Property to be retained by Conrail) on a fragment copy of Railroad Valuation Map No. 9154-011-B-63 and being all the land, right, title and interest of Consolidated Rail Corporation as indicated as Parcel C and by hatched lines on said fragment map as page B-5, which plan is recorded as an exhibit to the June 30, 1982 deed to Pioneer Valley Railroad Company, Inc. referenced above.

The United States of America

No. 1591336

CERTIFICATE OF REGISTRATION

This is to certify that the records of the Patent and Trademark Office show that an application was filed in said Office for registration of the Mark shown herein, a copy of said Mark and pertinent data from the Application being annexed hereto and made a part hereof,

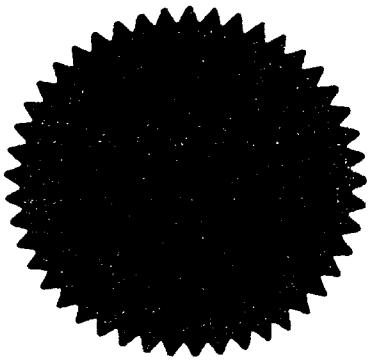
And there having been due compliance with the requirements of the law and with the regulations prescribed by the Commissioner of Patents and Trademarks,

Upon examination, it appeared that the applicant was entitled to have said Mark registered under the Trademark Act of 1946, as amended, and the said Mark has been duly registered this day in the Patent and Trademark Office on the

PRINCIPAL REGISTER

to the registrant named herein.

This registration shall remain in force for TEN years unless sooner terminated as provided by law.



In Testimony Whereof I have hereunto set my hand and caused the seal of the Patent and Trademark Office to be affixed this tenth day of April 1990.

Harry F. Manbeck, Jr.

NOTICE

This Registration will be canceled by the Commissioner of Patents and Trademarks at the end of six years following the date of registration, unless within one year next preceding the expiration of such six years, the registrant files in the Patent and Trademark Office an affidavit showing that said mark is in use in Commerce or showing that its nonuse is due to special circumstances which excuse such nonuse and is not due to any intention to abandon the mark. A fee of $100.00 for each class must accompany the affidavit.

Int. Cl.: 39

Prior U.S. Cl.: 105

United States Patent and Trademark Office

Reg. No. 1,591,336
Registered Apr. 10, 1990

SERVICE MARK
PRINCIPAL REGISTER

PINSLY RAILROAD COMPANY (DELAWARE CORPORATION)
53 SOUTHAMPTON ROAD
WESTFIELD, MA 01085

FOR: TRANSPORTATION OF GOODS AND PEOPLE BY RAILROAD, IN CLASS 39 (U.S. CL. 105).

FIRST USE 11-0-1985; IN COMMERCE 11-0-1985.

THE MARK CONSISTS OF THE STYLIZED LETTER "P" WITH A RAILROAD TRACK DESIGN IMPOSED UPON IT.

SER. NO. 73-804,618, FILED 6-5-1989.

IRA J. GOODSAID, EXAMINING ATTORNEY

EXHIBIT P
LOCATIONS OF COLLATERAL

PINSLY RAILROAD COMPANY

53 Southampton Road, Westfield, MA

FLORIDA CENTRAL RAILROAD
FLORIDA MIDLAND RAILROAD
FLORIDA NORTHERN RAILROAD

3001 Orange Avenue, Plymouth, FL

PIONEER VALLEY RAILROAD

1 Depot Street, Westfield, MA

ARKANSAS MIDLAND RAILROAD

Jones Mill Industrial Park, Jones Mill, AR

RAILROAD DISTRIBUTION SERVICES

724 – 730 Main Street, Holyoke, Hampden County, MA

66 Industrial Park Road, Westfield, Hampden County, MA

Jones Mill Industrial Park, Jones Mill, Hot Springs County, AR

Hwy. 17 North, 3 Warehouse Buildings, Bartow Municipal Airport, Bartow, Bartow County, FL

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☐ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es) Railroad Distribution Services, Inc. ~~Arkansas~~ Jones Mill Industrial Park Jones Mill, AR 72105 *	2. Secured Party(ies) and address(es) BankBoston, N.A. 100 Federal Street Boston, MA 02110	3. For Filing Officer (Date, Time, Number, and Filing Office)

7. This financing statement covers the following types (or items) of property:

See Annex "A" attached hereto and made a part hereof.

~~*See Debtor's other addresses attached hereto as Annex "B".~~

Debtor's Chief Executive Principal Place of Business: c/o Pinsly Railroad Company, Inc.
53 Southampton Road
Westfield, MA 01085

For filing with Lonoke County - Arkansas

Check ☒ if covered: ☒ Proceeds of Collateral are also covered. ☒ Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)

Railroad Distribution Services, Inc. ~~Arkansas~~

By: _____
Signature(s) of Debtor (Or Assignor)

BankBoston, N.A.

By: Mary J. Meehan
Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: _____
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Lonoke County Circuit Clerk's Office
P.O. Box 219
Lonoke, Arkansas 72086

Attn: Mary Jane Hallum

Re: Railroad Distribution Services, Inc.

Dear Ms. Hallum:

Enclosed please find the following items requiring your action, as indicated below:

1. (1) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $12.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-2

INSTRUCTIONS

1. This form is designed to avoid double typing when filing with more than one office. Place this form over UCC-1.
2. PLEASE TYPE this form. Fold only along perforation for mailing.
3. Send all 3 copies with interleaved carbon paper to the filing officer. Enclose filing fee.
4. BEFORE FILLING OUT READ INSTRUCTIONS 3 THROUGH 10 ON BACK OF FORM UCC-1.

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☐ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es) I ilroad Distribution Services, Inc., Jones Mill Industrial Park . nes Mill, AR 72105 *	2. Secured Party(ies) and address(es) BankBoston, N.A. 100 Federal Street Boston, MA 02110	3. For Filing Officer (Date, Time, Number, and Filing Office)

7. This financing statement covers the following types (or items) of property:

: e Annex "A" attached hereto and made a part hereof.

~~x See Debtor's additional addresses attached hereto as Annex "B".~~

* Debtor's Chief Executive Principal Place of Business: C/o Pinsly Railroad Company, Inc.
53 Southampton Road
Westfield, MA 01085

'o. filing with Phillips County - Arkansas

☒ Proceeds and ☐ Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)	Railroad Distribution Services, Inc.	BankBoston, N.A.
	By:	By: Mary J. Meehan
	Signature(s) of Debtor (Or Assignor)	Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

T IDARD FORM — UNIFORM COMMERCIAL CODE — FORM UCC-2 Rev. Jan. 1980 *Forms may be purchased from Hobbs & Warren, Inc., Boston, Mass. 02101*

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: _____
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Phillips County Circuit Clerk's Office
620 Cherry Street, Suite 206
Helena, Arkansas 72342

Re: Railroad Distribution Services, Inc.

Dear Sirs/Madam:

Enclosed please find the following items requiring your action, as indicated below:

1. (_1_) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $14.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☐ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es) Railroad Distribution Services, Inc. Jones Mill Industrial Park Jones Mill, AR 72105 *	2. Secured Party(ies) and address(es) BankBoston, N.A. 100 Federal Street Boston, MA 02110	3. For Filing Officer (Date, Time, Number, and Filing Office)

7. This financing statement covers the following types (or items) of property:

See Annex "A" attached hereto and made a part hereof.

~~* See Debtor's other addresses attached hereto as Annex "B".~~

* Debtor's Chief Executive Principal place of Business: c/o Pinsly Railroad Company, Inc.
53 Southampton Road
Westfield, MA 01085

For filing with Pulaski County - Arkansas

☒ Proceeds and ☐ Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)	Railroad Distribution Services, Inc.	BankBoston, N.A.
	By: [signature]	By: Mary J. Meehan
	Signature(s) of Debtor (Or Assignor)	Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

STANDARD FORM — UNIFORM COMMERCIAL CODE — FORM UCC-1 Rev. Jan. 1980 *Forms may be purchased from Hobbs & Warren, Inc., Boston, Mass. 02101*

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: Mary J Meehan
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Pulaski County Circuit Clerk's Office
401 West Markham, Room 216
Little Rock, Arkansas 72201

Re: Railroad Distribution Services

Dear Sirs/Madam:

Enclosed please find the following items requiring your action, as indicated below:

1. (1) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $14.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☐ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es) Railroad Distribution Services, Inc. Jones Mill Industrial Park Jones Mill, AR 72105 *	2. Secured Party(ies) and address(es) BankBoston, N.A. 100 Federal Street Boston, MA 02110	3. For Filing Officer (Date, Time, Number, and Filing Office)

7. This financing statement covers the following types (or items) of property:

See Annex "A" attached hereto and made a part hereof.

~~* See Debtor's other addresses attached hereto as Annex "B".~~

Debtor's Chief Executive Principal Place of Business: c/o Pinsly Railroad Company, Inc.
53 Southampton Road
Westfield, MA 01085

For filing with Hot Springs County - Arkansas

☒ Proceeds and Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)

Railroad Distribution Services, Inc.

By: John L. Lawrence
Signature(s) of Debtor (Or Assignor)

BankBoston, N.A.

By: Mary J. Meehan
Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

STANDARD FORM — UNIFORM COMMERCIAL CODE — FORM UCC-1 Rev. Jan. 1980 *Forms may be purchased from Hobbs & Warren, Inc., Boston, Mass. 02101*

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: Mary J. Meehan
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Hot Springs County Circuit Clerk
P.O. Box 1200
Malvern, Arkansas 72104

Re: Railroad Distribution Services

Dear Sirs/Madam:

Enclosed please find the following items requiring your action, as indicated below:

1. (1) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $12.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☐ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es) Railroad Distribution Services, Inc. ~~xx Arkansas~~ Jones Mill Industrial Park Jones Mill, AR 72105 *	2. Secured Party(ies) and address(es) BankBoston, N.A. 100 Federal Street Boston, MA 02110	3. For Filing Officer (Date, Time, Number, and Filing Office)

7. This financing statement covers the following types (or items) of property:

See Annex "A" attached hereto and made a part hereof.

~~See Debtor's other addresses attached hereto as Annex "B"~~

* Debtor's Chief Executive Principal Place of Business: c/o Pinsly Railroad Company, Inc.
53 Southampton Road
Westfield, MA01085

For filing with Garland County - Arkansas

☒ Proceeds and Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)	Railroad Distribution Services, ~~xx Arkansas~~ Inc. By: [signature] Signature(s) of Debtor (Or Assignor)	BankBoston, N.A. By: Mary J. Meehan Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: Mary J. Meehan
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Garland County Circuit Clerk's Office
501 Quachita, Room 207
Hot Springs, Arkansas 71901

Attn: Gina

Re: Railroad Distribution Services, Inc.

Dear Gina:

Enclosed please find the following items requiring your action, as indicated below:

1. (_1_) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $12.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☐ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es) ailroad Distribution Services, ~~xxxxxxxx~~ Inc. "ones Mill Industrial Park ones Mill, AR 72105 *	2. Secured Party(ies) and address(es) BankBoston, N.A. 100 Federal Street Boston, MA 02110	3. For Filing Officer (Date, Time, Number, and Filing Office)

7. This financing statement covers the following types (or items) of property:

ee Annex "A" attached hereto and made a part hereof.

~~See Debtor's other addresses attached hereto as Annex "A".~~

* Debtor's Chief Executive Principal Place of Business: c/o Pinsly Railroad Company, [redacted].
53 Southampton Road
Westfield, MA 01085

For filing with Pike County - Arkansas

☒ Proceeds and ☐ Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)

Railroad Distribution Services, ~~xxxxxxxx~~ Inc.

By: [signature]
Signature(s) of Debtor (Or Assignor)

BankBoston, N.A.

By: Mary J. Meehan
Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

STANDARD FORM — UNIFORM COMMERCIAL CODE — FORM UCC-1 Rev. Jan. 1980 *Forms may be purchased from Hobbs & Warren, Inc., Boston, Mass. 02101*

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: _____
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Pike County Clerk's Office
P.O. Box 219
Murfreesboro, Arkansas 71958

Re: Railroad Distribution Services, Inc.

Dear Sir/Madam:

Enclosed please find the following items requiring your action, as indicated below:

1. (_1_) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $14.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☐ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es) ailroad Distribution Services, Inc. Jones Mill Industrial Park ones Mill, AR 72105 *	2. Secured Party(ies) and address(es) BankBoston, N.A. 100 Federal Street Boston, MA 02110	3. For Filing Officer (Date, Time, Number, and Filing Office)

7. This financing statement covers the following types (or items) of property:

ee Annex "A" attached hereto and made a part hereof.

* ~~See Debtor's other addresses attached hereto as Annex "B".~~

Debtor's Chief Executive Principal Place of Business: c/o Pinsly Railroad Company, Inc.
53 Southampton Road
Westfield, MA 01085

For filing with Montgomery County - Arkansas

X ☐ Proceeds and Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)

Railroad Distribution Services, Inc.

By: ..... Signature(s) of Debtor (Or Assignor)

BankBoston, N.A.

By: Mary J. Meehan
Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

STANDARD FORM — UNIFORM COMMERCIAL CODE — FORM UCC-1 Rev. Jan. 1980 *Forms may be purchased from Hobbs & Warren, Inc., Boston, Mass. 02101*

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: Mary J. Meehan
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Montgomery County Clerk's Office
P.O. Box 369
Mount Ida, Arkansas 71957

Re: Railroad Distribution Services, Inc.

Dear Sir/Madam:

Enclosed please find the following items requiring your action, as indicated below:

1. (1) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $12.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☐ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es) Railroad Distribution Services, Inc. ~~xxxxxxxx~~ ones Mill Industrial Park Jones Mill, AR 72105 *	2. Secured Party(ies) and address(es) BankBoston, N.A. 100 Federal Street Boston, MA 02110	3. For Filing Officer (Date, Time, Number, and Filing Office)

7. This financing statement covers the following types (or items) of property:

See Annex "A" attached hereto and made a part hereof.

~~See Debtor's other addresses attached hereto as Annex "B".~~

* Debtors Chief Executive Principal Place of Business: c/o Pinsly Railroad Company, [redacted].
53 Southampton Road
Westfield, MA 01085

For filing with Clark County - Arkansas

X ☐ Proceeds and Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)	Railroad Distribution Services, ~~xxxxxxxx~~ Inc.	BankBoston, N.A.
	By: [signature]	By: Mary J. Meehan
	Signature(s) of Debtor (Or Assignor)	Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

STANDARD FORM — UNIFORM COMMERCIAL CODE — FORM UCC-1 Rev. Jan. 1980 *Forms may be purchased from Hobbs & Warren, Inc., Boston, Mass. 02101*

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: Mary J. Meehan
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Clark County Circuit Clerk's Office
P.O. Box 576
Arkadelphia, Arkansas 71923

Re: Railroad Distribution Services

Dear Sir/Madam:

Enclosed please find the following items requiring your action, as indicated below:

1. (1) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $14.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☐ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es) ailroad Distribution Services, ~~XXXXXXXXX~~ Inc. Jones Mill Industrial Park ones Mill, AR 72105 *	2. Secured Party(ies) and address(es) BankBoston, N.A. 100 Federal Street Boston, MA 02110	3. For Filing Officer (Date, Time, Number, and Filing Office)

7. This financing statement covers the following types (or items) of property:

ee Annex "A" attached hereto and made a part hereof.

~~xxSeexDebtor'sxotherxaddressesxattachedxheretoxasxAnnexxxBxx~~

Debtor's Chief Executive Principal Place of Business: c/o Pinsly Railroad Company, [redacted].
53 Southampton Road
Westfield, MA 01085

'or filing with the Secretary of State - Arkansas

Check ☒ if covered: ☒ Proceeds of Collateral are also covered. ☒ Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)	Railroad Distribution Services, Inc. ~~xxAxxxxxxx~~ By: [signature] Signature(s) of Debtor (Or Assignor)	BankBoston, N.A. By: Mary J. Meehan Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: Mary J. Meehan
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Secretary of State
State Capital
Room 25
Little Rock, Arkansas 72201

Re: Railroad Distribution Services, Inc.

Dear Sirs/Madam:

Enclosed please find the following items requiring your action, as indicated below:

1. (1) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $14.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☐ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es) Pinsly Railroad Company, [redacted] 3 Southampton Road estfield, MA 01085	2. Secured Party(ies) and address(es) BankBoston, N.A. 100 Federal Street Boston, MA 02110	3. For Filing Officer (Date, Time, Number, and Filing Office)

7. This financing statement covers the following types (or items) of property:

See Annex "A" attached hereto and made a part hereof.

For filing with Clark County

Check ☒ if covered: ☒ Proceeds of Collateral are also covered. ☒ Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)	Pinsly Railroad Company, [redacted]	BankBoston, N.A.
	By: John P. [redacted]	By: Mary J. Meehan
	Signature(s) of Debtor (Or Assignor)	Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy – Alphabetical

STANDARD FORM — UNIFORM COMMERCIAL CODE — FORM UCC-1 Rev. April 1997 *Forms may be purchased from Hobbs & Warren, Inc., Boston, MA 02101*

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: Mary J. Meehan
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Clark County Circuit Clerk's Office
P.O. Box 576
Arkadelphia, Arkansas 71923

Re: Pinsly Railroad Company

Dear Sir/Madam:

Enclosed please find the following items requiring your action, as indicated below:

1. (_1_) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $14.00 is enclosed to cover the filing fee.

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Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☐ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es) insly Railroad Company, [redacted] 3 Southampton Road Westfield, MA 01085	2. Secured Party(ies) and address(es) BankBoston, N.A. 100 Federal Street Boston, MA 02110	3. For Filing Officer (Date, Time, Number, and Filing Office)

7. This financing statement covers the following types (or items) of property:

ee Annex "A" attached hereto and made a part hereof.

or filing with Pike County

Check ☒ if covered: ☒ Proceeds of Collateral are also covered. ☒ Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)	Pinsly Railroad Company, [redacted].	BankBoston, N.A.
	By: [signature]	By: Mary J. Meehan
	Signature(s) of Debtor (Or Assignor)	Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: _____
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Pike County Clerk's Office
P.O. Box 219
Murfreesboro, Arkansas 71958

Re: Pinsly Railroad Company

Dear Sir/Madam:

Enclosed please find the following items requiring your action, as indicated below:

1. (1) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $14.00 is enclosed to cover the filing fee.

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Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☐ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es) Pinsly Railroad Company, [redacted]. 3 Southampton Road Westfield, MA 01085	2. Secured Party(ies) and address(es) BankBoston, N.A. 100 Federal Street Boston, MA 02110	3. For Filing Officer (Date, Time, Number, and Filing Office)

7. This financing statement covers the following types (or items) of property:

See Annex "A" attached hereto and made a part hereof.

For filing with Hot Springs County

Check ☒ if covered: ☒ Proceeds of Collateral are also covered. ☒ Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)	Pinsly Railroad Company, [redacted]	BankBoston, N.A.
	By: John R. Lawrence	By: Mary J. Meehan
	Signature(s) of Debtor (Or Assignor)	Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

STANDARD FORM — UNIFORM COMMERCIAL CODE — FORM UCC-1 Rev. April 1997 *Forms may be purchased from Hobbs & Warren, Inc., Boston, MA 02101*

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: _____
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Hot Springs County Circuit Clerk
P.O. Box 1200
Malvern, Arkansas 72104

Re: Pinsly Railroad Company

Dear Sirs/Madam:

Enclosed please find the following items requiring your action, as indicated below:

1. (1) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $12.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

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Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☐ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es) insly Railroad Company, [redacted]. 3 Southampton Road Westfield, MA 01085	2. Secured Party(ies) and address(es) BankBoston, N.A. 100 Federal Street Boston, MA 02110	3. For Filing Officer (Date, Time, Number, and Filing Office)

7. This financing statement covers the following types (or items) of property:

ee Annex "A" attached hereto and made a part hereof.

For filing with Garland County

Check ☒ if covered: ☒ Proceeds of Collateral are also covered. ☒ Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)		
	Pinsly Railroad Company, [redacted]. By: John P. [illegible] Signature(s) of Debtor (Or Assignor)	BankBoston, N.A. By: Mary J. Meehan Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

STANDARD FORM — UNIFORM COMMERCIAL CODE — FORM UCC-1 Rev. April 1997 *Forms may be purchased from Hobbs & Warren, Inc., Boston, MA 02101*

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: _____
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Garland County Circuit Clerk's Office
501 Quachita, Room 207
Hot Springs, Arkansas 71901

Attn: Gina

Re: Pinsly Railroad Company

Dear Gina:

Enclosed please find the following items requiring your action, as indicated below:

1. (1) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $12.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☐ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es) insly Railroad Company, [redacted]. 53 Southampton Road Westfield, MA 01085	2. Secured Party(ies) and address(es) BankBoston, N.A. 100 Federal Street Boston, MA 02110	3. For Filing Officer (Date, Time, Number, and Filing Office)

7. This financing statement covers the following types (or items) of property:

See Annex "A" attached hereto and made a part hereof.

For filing with Pulaski County

Check ☒ if covered: ☒ Proceeds of Collateral are also covered. ☒ Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)

Pinsly Railroad Company, [redacted]

By: John P. [illegible]
Signature(s) of Debtor (Or Assignor)

BankBoston, N.A.

By: Mary J. Meelan
Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

STANDARD FORM — UNIFORM COMMERCIAL CODE — FORM UCC-1 Rev. April 1997 *Forms may be purchased from Hobbs & Warren, Inc., Boston, MA 02101*

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: Mary J. Meehan
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Pulaski County Circuit Clerk's Office
401 West Markham, Room 216
Little Rock, Arkansas 72201

Re: Pinsly Railroad Company

Dear Sirs/Madam:

Enclosed please find the following items requiring your action, as indicated below:

1. (1) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $14.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☐ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es) Pinsly Railroad Company, [redacted]. [illegible] Southampton Road [illegible]stfield, MA 01085	2. Secured Party(ies) and address(es) BankBoston, N.A. 100 Federal Street Boston, MA 02110	3. For Filing Officer (Date, Time, Number, and Filing Office)

7. This financing statement covers the following types (or items) of property:

[illegible]e Annex "A" attached hereto and made a part hereof.

For filing with Lonoke County

Check ☒ if covered: ☒ Proceeds of Collateral are also covered. ☒ Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)		
	Pinsly Railroad Company, [redacted].	BankBoston, N.A.
	By: [signature]	By: Mary J. Meehan
	Signature(s) of Debtor (Or Assignor)	Signature(s) of Secured Party (Or Assignee)

[illegible]iling Officer Copy — Alphabetical

STANDARD FORM — UNIFORM COMMERCIAL CODE — FORM UCC-1 Rev. April 1997 *Forms may be purchased from Hobbs & Warren, Inc., Boston, MA 02101*

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: Mary J Meehan
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Lonoke County Circuit Clerk's Office
P.O. Box 219
Lonoke, Arkansas 72086

Attn: Mary Jane Hallum

Re: Pinsly Railroad Company

Dear Ms. Hallum:

Enclosed please find the following items requiring your action, as indicated below:

1. (_1_) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $12.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☐ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es) insly Railroad Company, [redacted] 53 Southampton Road Westfield, MA 01085	2. Secured Party(ies) and address(es) BankBoston, N.A. 100 Federal Street Boston, MA 02110	3. For Filing Officer (Date, Time, Number, and Filing Office)

7. This financing statement covers the following types (or items) of property:

See Annex "A" attached hereto and made a part hereof.

or filing with Phillips County

Check ☒ if covered: ☒ Proceeds of Collateral are also covered. ☒ Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)	Pinsly Railroad Company, [redacted].	BankBoston, N.A.
	By: [signature]	By: Mary J. Meehan
	Signature(s) of Debtor (Or Assignor)	Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: _____
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Phillips County Circuit Clerk's Office
620 Cherry Street, Suite 206
Helena, Arkansas 72342

Re: Pinsly Railroad Company

Dear Sirs/Madam:

Enclosed please find the following items requiring your action, as indicated below:

1. (_1_) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $14.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☐ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es) insly Railroad Company, [redacted]. 53 Southampton Road estfield, MA 01085	2. Secured Party(ies) and address(es) BankBoston, N.A. 100 Federal Street Boston, MA 02110	3. For Filing Officer (Date, Time, Number, and Filing Office)

7. This financing statement covers the following types (or items) of property:

See Annex "A" attached hereto and made a part hereof.

or filing with the Secretary of State - Arkansas

Check ☒ if covered: ☒ Proceeds of Collateral are also covered. ☒ Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)

Pinsly Railroad Company [redacted].

By: _____
Signature(s) of Debtor (Or Assignor)

BankBoston, N.A.

By: Mary J. Meehan
Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

STANDARD FORM — UNIFORM COMMERCIAL CODE — FORM UCC-1 Rev. April 1997 *Forms may be purchased from Hobbs & Warren, Inc., Boston, MA 02101*

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: Mary J. Meehan
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Secretary of State
State Capital
Room 25
Little Rock, Arkansas 72201

Re: Pinsly Railroad Company

Dear Sirs/Madam:

Enclosed please find the following items requiring your action, as indicated below:

1. (1) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $14.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☐ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es) Pinsly Railroad Company, [redacted]. 53 Southampton Road Westfield, MA 01085	2. Secured Party(ies) and address(es) BankBoston, N.A. 100 Federal Street Boston, MA 02110	3. For Filing Officer (Date, Time, Number, and Filing Office)

7. This financing statement covers the following types (or items) of property:

See Annex "A" attached hereto and made a part hereof.

For filing with Montgomery County

Check ☒ if covered: ☒ Proceeds of Collateral are also covered. ☒ Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)		
	Pinsly Railroad Company, [redacted]. By: [signature] Signature(s) of Debtor (Or Assignor)	BankBoston, N.A. By: Mary J. Meehan Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

STANDARD FORM — UNIFORM COMMERCIAL CODE — FORM UCC-1 Rev. April 1997 *Forms may be purchased from Hobbs & Warren, Inc., Boston, MA 02101*

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: _____
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Montgomery County Clerk's Office
P.O. Box 369
Mount Ida, Arkansas 71957

Re: Pinsly Railroad Company

Dear Sir/Madam:

Enclosed please find the following items requiring your action, as indicated below:

1. (1) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $12.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☐ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es) rinsly Railroad Company, [redacted] 53 Southampton Road estfield, MA 01085	2. Secured Party(ies) and address(es) BankBoston, N.A. 100 Federal Street Boston, MA 02110	3. For Filing Officer (Date, Time, Number, and Filing Office)

7. This financing statement covers the following types (or items) of property:

See Annex "A" attached hereto and made a part hereof.

LORIDA DOCUMENTARY STAMP TAX IS NOT REQUIRED.

or filing with the Secretary of State - Florida

Check ☒ if covered: ☒ Proceeds of Collateral are also covered. ☒ Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)		
	Pinsly Railroad Company, [redacted] By: [signature] Signature(s) of Debtor (Or Assignor)	BankBoston, N.A. By: Mary J. Meehan Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

STANDARD FORM — UNIFORM COMMERCIAL CODE — FORM UCC-1 Rev. April 1997 *Forms may be purchased from Hobbs & Warren, Inc., Boston, MA 02101*

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: Mary J. Meehan
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Secretary of State
Division of Corporations
P.O. Box 5588
Tallahassee, FL 32314

Re: Pinsly Railroad Company

Dear Sir/Madam:

Enclosed please find the following items requiring your action, as indicated below:

1. (1) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $31.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☒ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es)	2. Secured Party(ies) and address(es)	3. For Filing Officer (Date, Time, Number, and Filing Office)
Florida Midland Railroad Company, Inc. 3001 Orange Avenue Plymouth, FL 32768 *	BankBoston, N.A. 100 Federal Street Boston, MA 02110	

7. This financing statement covers the following types (or items) of property:

See Annex "A" attached hereto and made a part hereof.

* Debtor's Chief Executive Principal Place of Business: c/o Pinsly Railroad Company, [redacted].
53 Southampton Road
Westfield, MA 01085

FLORIDA DOCUMENTARY STAMP IS NOT REQUIRED.

For filing with the Secretary of State - Florida

Check ☒ if covered: ☒ Proceeds of Collateral are also covered. ☒ Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)	Florida Midland Railroad Company, Inc.	BankBoston, N.A.
	By: [signature]	By: Mary J. Meehan
	Signature(s) of Debtor (Or Assignor)	Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

STANDARD FORM — UNIFORM COMMERCIAL CODE — FORM UCC-1 Rev. April 1997 *Forms may be purchased from Hobbs & Warren, Inc., Boston, MA 02101*

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: Mary J. Meehan
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Secretary of State
Division of Corporations
P.O. Box 5588
Tallahassee, FL 32314

Re: Florida Midland Railroad

Dear Sir/Madam:

Enclosed please find the following items requiring your action, as indicated below:

1. (_1_) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $31.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☒ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es)	2. Secured Party(ies) and address(es)	3. For Filing Officer (Date, Time, Number, and Filing Office)
Florida Northern Railroad Company, Inc. 3001 Orange Avenue Plymouth, FL 32768 *	BankBoston, N.A. 100 Federal Street Boston, MA 02110	

7. This financing statement covers the following types (or items) of property:

See Annex "A" attached hereto and made a part hereof.

~~See Debtor's other addresses attached hereto as Annex "B".~~

* Debtor's Chief Executive Principal Place of Business: c/o Pinsly Railroad Company, [redacted].
53 Southampton Road
Westfield, MA 01085

FLORIDA DOCUMENTARY STAMP TAX IS NOT REQUIRED.

For filing with the Secretary of State - Florida

Check ☒ if covered: ☒ Proceeds of Collateral are also covered. ☒ Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)

Florida Northern Railroad Company, Inc.

By: _____
Signature(s) of Debtor (Or Assignor)

BankBoston, N.A.

By: Mary J. Meehan
Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

STANDARD FORM — UNIFORM COMMERCIAL CODE — FORM UCC-1 Rev. April 1997 *Forms may be purchased from Hobbs & Warren, Inc., Boston, MA 02101*

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: _____
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Secretary of State
Division of Corporations
P.O. Box 5588
Tallahassee, FL 32314

Re: Florida Northern Railroad

Dear Sir/Madam:

Enclosed please find the following items requiring your action, as indicated below:

1. (1) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $31.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☒ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es) Florida Central Railroad Company, Inc. 300 Orange Avenue Plymouth, FL 32768 *	2. *Secured Party(ies) and address(es)* BankBoston, N.A. 100 Federal Street Boston, MA 02110	3. *For Filing Officer (Date, Time, Number, and Filing Office)*

7. This financing statement covers the following types (or items) of property:

See Annex "A" attached hereto and made a part hereof.

~~See Debtor's other addresses attached hereto as Annex "B"~~

* Debtor's Chief Executive Principal Place of Business: c/o Pinsly Railroad Company, Inc.
53 Southampton Road
Westfield, MA 01085

FLORIDA DOCUMENTARY STAMP TAX IS NOT REQUIRED.

For filing with the Secretary of State - Florida

Check ☒ if covered: ☒ Proceeds of Collateral are also covered. ☒ Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)

Florida Central Railroad Company, Inc.

By: _____
Signature(s) of Debtor (Or Assignor)

BankBoston, N.A.

By: _____
Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

STANDARD FORM — UNIFORM COMMERCIAL CODE — FORM UCC-1 Rev. April 1997 *Forms may be purchased from Hobbs & Warren, Inc., Boston, MA 02101*

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: Mary J. Meehan
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Secretary of State
Division of Corporations
P.O. Box 5588
Tallahassee, FL 32314

Re: Florida Central Railroad

Dear Sir/Madam:

Enclosed please find the following items requiring your action, as indicated below:

1. (1) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $31.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☐ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es) ilroad Distribution ervices, Inc. Highway 17 North, Bldg. 405 rtow Municipal Airport rtow, FL 33830 *	2. Secured Party(ies) and address(es) BankBoston, N.A. 100 Federal Street Boston, MA 02110	3. For Filing Officer (Date, Time, Number, and Filing Office)

7. This financing statement covers the following types (or items) of property:

ee Annex "A" attached hereto and made a part hereof.

* Debtor's Chief Executive Principal Place of Business: c/o Pinsly Railroad Company, [redacted].
53 Southampton Road
Westfield, MA 01085

FLORIDA DOCUMENTARY STAMP TAX IS NOT REQUIRED.

For filing with the Secretary of State - Florida

Check ☒ if covered: ☒ Proceeds of Collateral are also covered. ☒ Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)	Railroad Distribution Services, Inc.	BankBoston, N.A.
	By: [signature]	By: Mary J. Meehan
	Signature(s) of Debtor (Or Assignor)	Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: _____
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Secretary of State
Division of Corporations
P.O. Box 5588
Tallahassee, FL 32314

Re: Railroad Distribution Services, Inc.

Dear Sir/Madam:

Enclosed please find the following items requiring your action, as indicated below:

1. (_1_) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $31.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-2

INSTRUCTIONS

1. This form is designed to avoid double typing when filing with more than one office. Place this form over UCC-1.
2. PLEASE TYPE this form. Fold only along perforation for mailing.
3. Send all 3 copies with interleaved carbon paper to the filing officer. Enclose filing fee.
4. BEFORE FILLING OUT READ INSTRUCTIONS 3 THROUGH 10 ON BACK OF FORM UCC-1.

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

☐ Filed for record in the real estate records.	5. ☒ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es) rkansas Midland Railroad Company, Inc. ones Mill Industrial Park Jones Mill, AR 72105 *	2. Secured Party(ies) and address(es) BankBoston, N.A. 100 Federal Street Boston, MA 02110	3. For Filing Officer (Date, Time, Number, and Filing Office)

7. This financing statement covers the following types (or items) of property:

ee Annex "A" attached hereto and made a part hereof.

~~xxSee Debtor's other addresses attached hereto as Annex "B"~~.

* Debtor's Chief Executive Principal Place of Business: c/o Pinsly Railroad Company, [redacted].
53 Southampton Road
Westfield, MA 01085

or filing with Lonoke County - Arkansas

Proceeds and
☒ Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)	Arkansas Midland Railroad Company, Inc.	BankBoston, N.A.
	By: [signature] Signature(s) of Debtor (Or Assignor)	By: Mary J. Meehan Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: _____
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Lonoke County Circuit Clerk's Office
P.O. Box 219
Lonoke, Arkansas 72086

Attn: Mary Jane Hallum

Re: Arkansas Midland Railroad

Dear Ms. Hallum:

Enclosed please find the following items requiring your action, as indicated below:

1. (1) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $12.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☒ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es) Arkansas Midland Railroad Company, Inc. Jones Mill Industrial Park Jones Mill, AR 72105*	2. Secured Party(ies) and address(es) BankBoston, N.A. 100 Federal Street Boston, MA 02110	3. For Filing Officer (Date, Time, Number, and Filing Office)

7. This financing statement covers the following types (or items) of property:

See Annex "A" attached hereto and made a part hereof.

~~See Debtor's other addresses attached hereto as Annex "B".~~

Debtor's Chief Executive Principal Place of Business: c/o Pinsly Railroad Company, [redacted].
53 Southampton Road
Westfield, MA 01085

For filing with Montgomery County - Arkansas

☒ Proceeds and Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)		
	Arkansas Midland Railroad Company, Inc. By: [signature] Signature(s) of Debtor (Or Assignor)	BankBoston, N.A. By: Mary J. Meehan Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

STANDARD FORM — UNIFORM COMMERCIAL CODE — FORM UCC-1 Rev. Jan. 1980 *Forms may be purchased from Hobbs & Warren, Inc., Boston, Mass. 02101*

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: Mary J Meehan
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Montgomery County Clerk's Office
P.O. Box 369
Mount Ida, Arkansas 71957

Re: Arkansas Midland Railroad

Dear Sir/Madam:

Enclosed please find the following items requiring your action, as indicated below:

1. (_1_) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $12.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☒ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es) Arkansas Midland Railroad Company, Inc. Jones Mill Industrial Park Jones Mill, AR 72105*	2. Secured Party(ies) and address(es) BankBoston, N.A. 100 Federal Street Boston, MA 02110	3. For Filing Officer (Date, Time, Number, and Filing Office)

7. This financing statement covers the following types (or items) of property:

See Annex "A" attached hereto and made a part hereof.

~~See Debtor's other addresses attached hereto as Annex "B"~~

* Debtor's Chief Executive Principal Place of Business: c/o Pinsly Railroad Company, [redacted].
53 Southampton Road
Westfield, MA 01085

For filing with Hot Springs County - Arkansas

☒ Proceeds and Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)	Arkansas Midland Railroad Company, Inc.	BankBoston, N.A.
	By: [signature]	By: Mary J. Meehan
	Signature(s) of Debtor (Or Assignor)	Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

STANDARD FORM — UNIFORM COMMERCIAL CODE — FORM UCC-1 Rev. Jan. 1980 *Forms may be purchased from Hobbs & Warren, Inc., Boston, Mass. 02101*

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: Mary J. Meehan
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Hot Springs County Circuit Clerk
P.O. Box 1200
Malvern, Arkansas 72104

Re: Arkansas Midland Railroad

Dear Sirs/Madam:

Enclosed please find the following items requiring your action, as indicated below:

1. (_1_) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $12.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☒ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es) kansas Midland Railroad mpany, Inc. nes Mill Industrial Park Jones Mill, AR 72105*	2. Secured Party(ies) and address(es) BankBoston, N.A. 100 Federal Street Boston, MA 02110	3. For Filing Officer (Date, Time, Number, and Filing Office)

7. This financing statement covers the following types (or items) of property:

ee Annex "A" attached hereto and made a part hereof.

~~*See Debtor's other addresses attached hereto as Annex "B".~~

: Debtor's Chief Executive Principal Place of Business: c/o Pinsly Railroad Company, [redacted].
53 Southampton Road
Westfield, MA 01085

or filing with Garland County - Arkansas

☒ Proceeds and Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)	Arkansas Midland Railroad Company, Inc.	BankBoston, N.A.
	By: John P. Pinsly	By: Mary J. Meehan
	Signature(s) of Debtor (Or Assignor)	Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By:_____
John P. Levine, Vice President

SECURED PARTY

By: Mary J. Meehan
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Garland County Circuit Clerk's Office
501 Quachita, Room 207
Hot Springs, Arkansas 71901

Attn: Gina

Re: Arkansas Midland Railroad

Dear Gina:

Enclosed please find the following items requiring your action, as indicated below:

1. (1) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $12.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☒ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es) Arkansas Midland Railroad Company, Inc. Jones Mill Industrial Park Jones Mill, AR 72105*	2. Secured Party(ies) and address(es) BankBoston, N.A. 100 Federal Street Boston, MA 02110	3. For Filing Officer (Date, Time, Number, and Filing Office)

7. This financing statement covers the following types (or items) of property:

See Annex "A" attached hereto and made a part hereof.

~~XXSee Debtor's other addresses attached hereto as Annex "B"X~~.

Debtor's Chief Executive Principal Place of Business: c/o Pinsly Railroad Company, [redacted].
53 Southampton Road
Westfield, MA 01085

For filing with Pulaski County - Arkansas

☒ Proceeds and Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)

Arkansas Midland Railroad Company, Inc.

By: John P. Pinsly
Signature(s) of Debtor (Or Assignor)

BankBoston, N.A.

By: Mary J. Meehan
Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

STANDARD FORM — UNIFORM COMMERCIAL CODE — FORM UCC-1 Rev. Jan. 1980 *Forms may be purchased from Hobbs & Warren, Inc., Boston, Mass. 02101*

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: Mary J. Meehan
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Pulaski County Circuit Clerk's Office
401 West Markham, Room 216
Little Rock, Arkansas 72201

Re: Arkansas Midland Railroad

Dear Sirs/Madam:

Enclosed please find the following items requiring your action, as indicated below:

1. (1) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $14.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☒ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es)	2. Secured Party(ies) and address(es)	3. For Filing Officer (Date, Time, Number, and Filing Office)
rkansas Midland Railroad Company, Inc. Jones Mill Industrial Park Jones Mill, AR 72105 *	BankBoston, N.A. 100 Federal Street Boston, MA 02110	

7. This financing statement covers the following types (or items) of property:

ee Annex "A" attached hereto and made a part hereof.

: Debtor's Chief ExecutivePrincipal Place of Business: c/o Pinsly Railroad Company, Inc.
53 Southampton Road
Westfield, MA 01085

or filing with Phillips County - Arkansas

Check ☒ if covered: ☒ Proceeds of Collateral are also covered. ☒ Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)

Arkansas Midland Railroad Company, Inc.

By: John P. Lamie
Signature(s) of Debtor (Or Assignor)

BankBoston, N.A.

By: Mary J. Meehan
Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: Mary J Meehan
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Phillips County Circuit Clerk's Office
620 Cherry Street, Suite 206
Helena, Arkansas 72342

Re: Arkansas Midland Railroad

Dear Sirs/Madam:

Enclosed please find the following items requiring your action, as indicated below:

1. (1) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $14.00 is enclosed to cover the filing fee.

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Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☒ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es) Arkansas Midland Railroad Company, Inc. Jones Mill Industrial Park Jones Mill, AR 72105*	2. Secured Party(ies) and address(es) BankBoston, N.A. 100 Federal Street Boston, MA 02110	3. For Filing Officer (Date, Time, Number, and Filing Office)

7. This financing statement covers the following types (or items) of property:

See Annex "A" attached hereto and made a part hereof.

~~*See Debtor's other addresses attached hereto as Annex "B"*~~

* Debtor's Chief Executive Principal Place of Business: c/o Pinsly Railroad Company, Inc.
53 Southampton Road
Westfield, MA 01085

For filing with the Secretary of State - Arkansas

☒ Proceeds and ☐ Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)		
	Arkansas Midland Railroad Company, Inc. By: John P. Pinsly Signature(s) of Debtor (Or Assignor)	BankBoston, N.A. By: Mary J. Meehan Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

STANDARD FORM — UNIFORM COMMERCIAL CODE — FORM UCC-1 Rev. Jan. 1980 *Forms may be purchased from Hobbs & Warren, Inc., Boston, Mass. 02101*

ANNEX A

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DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: Mary J. Meehan
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616

TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042

WRITERS DIRECT DIAL

735-8013

PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Secretary of State
State Capital
Room 25
Little Rock, Arkansas 72201

Re: Arkansas Midland Railroad

Dear Sirs/Madam:

Enclosed please find the following items requiring your action, as indicated below:

1. (_1_) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $14.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-2

INSTRUCTIONS

1. This form is designed to avoid double typing when filing with more than one office. Place this form over UCC-1.
2. PLEASE TYPE this form. Fold only along perforation for mailing.
3. Send all 3 copies with interleaved carbon paper to the filing officer. Enclose filing fee.
4. BEFORE FILLING OUT READ INSTRUCTIONS 3 THROUGH 10 ON BACK OF FORM UCC-1.

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

☐ Filed for record in the real estate records.	5. XX Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es)	2. Secured Party(ies) and address(es)	3. For Filing Officer (Date, Time, Number, and Filing Office)
Arkansas Midland Railroad Company, Inc. Jones Mill Industrial Park Jones Mill, AR 72105 *	BankBoston, N.A. 100 Federal Street Boston, MA 02110	

This financing statement covers the following types (or items) of property:

See Annex "A" attached hereto and made a part hereof.

* Debtor's Chief Executive Principal Place of Business: c/o Pinsly Railroad Company, [redacted].
53 Southampton Road
Westfield, MA 01085

For filing with Pike County - Arkanasa

☒ Proceeds and Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)	Arkansas Midland Railroad Company, Inc.	BankBoston, N.A.
	By: [signature]	By: Mary J. Meehan
	Signature(s) of Debtor (Or Assignor)	Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: Mary J. Meehan
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616

TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042

WRITERS DIRECT DIAL

735-8013

PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Pike County Clerk's Office
P.O. Box 219
Murfreesboro, Arkansas 71958

Re: Arkansas Midland Railroad

Dear Sir/Madam:

Enclosed please find the following items requiring your action, as indicated below:

1. (_1_) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $14.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☐ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es)	2. Secured Party(ies) and address(es)	3. For Filing Officer (Date, Time, Number, and Filing Office)
Kansas Midland Railroad Company, Inc. James Mill Industrial Park James Mill, AR 72105 *	BankBoston, N.A. 100 Federal Street Boston, MA 02110	

7. This financing statement covers the following types (or items) of property:

See Annex "A" attached hereto and made a part hereof.

* Debtor's Chief Executive Principal Place of Business: c/o Pinsly Railroad Company, Inc.
53 Southampton Road
Westfield, MA 01085

For filing with Clark County - Arkansas

Check ☒ if covered: ☒ Proceeds of Collateral are also covered. ☒ Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)	Arkansas Midland Railroad Company, Inc.	BankBoston, N.A.
	By: _____	By: _____
	Signature(s) of Debtor (Or Assignor)	Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

STANDARD FORM — UNIFORM COMMERCIAL CODE — FORM UCC-1 Rev. April 1997 *Forms may be purchased from Hobbs & Warren, Inc., Boston, MA 02101*

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: Mary J. Meehan
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Clark County Circuit Clerk's Office
P.O. Box 576
Arkadelphia, Arkansas 71923

Re: Arkansas Midland Railroad

Dear Sir/Madam:

Enclosed please find the following items requiring your action, as indicated below:

1. (1) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $14.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☒ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es) ioneer Valley Railroad Company, Inc. Depot Street Westfield, MA 01085 *	2. Secured Party(ies) and address(es) BankBoston, N.A. 100 Federal Street Boston, MA 02110	3. For Filing Officer (Date, Time, Number, and Filing Office)

7. This financing statement covers the following types (or items) of property:

ee Annex "A" attached hereto and made a part hereof.

~~[illegible]~~

Debtor's Chief Executive Principal Place of Business: c/o Pinsly Railroad Company, [redacted].
53 Southampton Road
Westfield, MA 01085

For filing with the City of Westfield

Check ☒ if covered: ☒ Proceeds of Collateral are also covered. ☒ Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)	Pioneer Valley Railroad Company, Inc. By: [signature] Signature(s) of Debtor (Or Assignor)	BankBoston, N.A. By: Mary J. Meehan Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: Mary J. Meehan
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

City Clerk
Westfield City Hall
59 Court Square
Westfield, MA 01085

Re: Pioneer Valley Railroad

Dear Sir/Madam:

Enclosed please find the following items requiring your action, as indicated below:

1. (_1_) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $10.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-2

INSTRUCTIONS

1. This form is designed to avoid double typing when filing with more than one office. Place this form over UCC-1.
2. PLEASE TYPE this form. Fold only along perforation for mailing.
3. Send all 3 copies with interleaved carbon paper to the filing officer. Enclose filing fee.
4. BEFORE FILLING OUT READ INSTRUCTIONS 3 THROUGH 10 ON BACK OF FORM UCC-1.

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

☐ Filed for record in the real estate records.	5. ☒ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es)	2. Secured Party(ies) and address(es)	3. For Filing Officer (Date, Time, Number, and Filing Office)
ioneer Valley Railroad ompany, Inc. Depot Street Westfield, MA 01085 *	BankBoston, N.A. 100 Federal Street Boston, MA 02110	

7. This financing statement covers the following types (or items) of property:

ee Annex "A" attached hereto and made a part hereof.

~~* See Debtor's other addresses attached hereto as Annex "B".~~

Debtor's Chief Executive Principal Place of Business: c/o Pinsly Railroad Company, [redacted]
53 Southampton Road
Westfield, MA 01085

r filing with the Secretary of State - Massachusetts

☒ Proceeds and Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)	Pioneer Valley Railroad Company, Inc.	BankBoston, N.A.
	By: John P. Lemmie	By: Mary J. Meehan
	Signature(s) of Debtor (Or Assignor)	Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

STANDARD FORM — UNIFORM COMMERCIAL CODE — FORM UCC-2 Rev. Jan. 1980 *Forms may be purchased from Hobbs & Warren, Inc., Boston, Mass. 02101*

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: Mary J. Meehan
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Secretary of State
UCC Division, Room 1711
1 Ashburton Place
Boston, MA 02109

Re: Pioneer Valley Railroad

Dear Sir/Madam:

Enclosed please find the following items requiring your action, as indicated below:

1. (1) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $10.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-2

INSTRUCTIONS

1. This form is designed to avoid double typing when filing with more than one office. Place this form over UCC-1.
2. PLEASE TYPE this form. Fold only along perforation for mailing.
3. Send all 3 copies with interleaved carbon paper to the filing officer. Enclose filing fee.
4. BEFORE FILLING OUT READ INSTRUCTIONS 3 THROUGH 10 ON BACK OF FORM UCC-1.

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

☐ Filed for record in the real estate records.	5. ☐ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es) Railroad Distribution Services, Inc. 724-730 Main Street Holyoke, MA 01040 *	2. Secured Party(ies) and address(es) BankBoston, N.A. 100 Federal Street Boston, MA 02110	3. For Filing Officer (Date, Time, Number, and Filing Office)

7. This financing statement covers the following types (or items) of property:

See Annex "A" attached hereto and made a part hereof.

~~See Debtor's other addresses attached hereto as Annex "B".~~

* Debtor's Chief Executive Principal Place of Business: c/o Pinsly Railroad Company, Inc.
53 Southampton Road
Westfield, MA 01085

For filing with the Secretary of State - Massachusetts

☒ Proceeds and Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)	Railroad Distribution Services, Inc.	BankBoston, N.A.
	By: [signature]	By: Mary J. Meehan
	Signature(s) of Debtor (Or Assignor)	Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: _____
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Secretary of State
UCC Division, Room 1711
1 Ashburton Place
Boston, MA 02109

Re: Railroad Distribution Services, Inc.

Dear Sir/Madam:

Enclosed please find the following items requiring your action, as indicated below:

1. (1) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $10.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☐ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es)	2. Secured Party(ies) and address(es)	3. For Filing Officer (Date, Time, Number, and Filing Office)
Railroad Distribution Services, Inc. 24-730 Main Street Holyoke, MA 01040 *	BankBoston, N.A. 100 Federal Street Boston, MA 02110	

7. This financing statement covers the following types (or items) of property:

See Annex "A" attached hereto and made a part hereof.

* Debtor's Chief Executive Principal Place of Business: c/o Pinsly Railroad Company, Inc.
53 Southampton Road
Westfield, MA 01085

For filing with the City of Holyoke

Check ☒ if covered: ☒ Proceeds of Collateral are also covered. ☒ Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)		
	Railroad Distribution Services, Inc.	BankBoston, N.A.
	By: _____	By: _____
	Signature(s) of Debtor (Or Assignor)	Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

STANDARD FORM — UNIFORM COMMERCIAL CODE — FORM UCC-1 Rev. April 1997 *Forms may be purchased from Hobbs & Warren, Inc., Boston, MA 02101*

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: _____
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

City Clerks Office
City Hall
Holyoke, MA 01040

Re: Railroad Distribution Services, Inc.

Dear Sir/Madam:

Enclosed please find the following items requiring your action, as indicated below:

1. (1) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $10.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-1

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☐ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es)	2. Secured Party(ies) and address(es)	3. For Filing Officer (Date, Time, Number, and Filing Office)
Pinsly Railroad Company, [redacted] 53 Southampton Road Westfield, MA 01085	BankBoston, N.A. 100 Federal Street Boston, MA 02110	

7. This financing statement covers the following types (or items) of property:

See Annex "A" attached hereto and made a part hereof.

~~* See Debtor's other addendum collateral hereto as Annex "B".~~

For filing with the City of Westfield

☒ Proceeds and Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)

Pinsly Railroad Company, [redacted].

By: John P. [illegible]
Signature(s) of Debtor (Or Assignor)

BankBoston, N.A.

By: Mary J. Meehan
Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

STANDARD FORM — UNIFORM COMMERCIAL CODE — FORM UCC-1 Rev. Jan. 1980 *Forms may be purchased from Hobbs & Warren, Inc., Boston, Mass. 02101*

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: _____
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

City Clerk
Westfield City Hall
59 Court Square
Westfield, MA 01085

Re: Pinsly Railroad Company

Dear Sir/Madam:

Enclosed please find the following items requiring your action, as indicated below:

1. (1) UCC FINANCING STATEMENT(S) for filing with your office. A check in the amount of $10.00 is enclosed to cover the filing fee.

2. (___) UCC-3 TERMINATION(S) for filing with your office. A check in the amount of $_____ is enclosed to cover the filing fee.

3. (___) UCC-11 SEARCH REQUEST(S) requiring a record search. A check in the amount of $_____ is enclosed to cover the search fee.

Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-2

INSTRUCTIONS

1. This form is designed to avoid double typing when filing with more than one office. Place this form over UCC-1.
2. PLEASE TYPE this form. Fold only along perforation for mailing.
3. *Send all 3 copies with interleaved carbon paper to the filing officer. Enclose filing fee.*
4. BEFORE FILLING OUT READ INSTRUCTIONS 3 THROUGH 10 ON BACK OF FORM UCC-1.

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ *Filed for record in the real estate records.*	5. ☐ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es) Railroad Distribution Services, Inc. ~~xxMassachusetts~~ Warehouse - Westfield 56 Industrial Park Road Westfield, MA 01085 *	2. Secured Party(ies) and address(es) BankBoston, N.A. 100 Federal Street Boston, MA 02110	3. For Filing Officer (Date, Time, Number, and Filing Office)

7. This financing statement covers the following types (or items) of property:

See Annex "A" attached hereto and made a part hereof.

~~* See Debtor's other addresses attached hereto as Annex "B".~~

Debtor's Chief Executive Principal Place of Business: c/o Pinsly Railroad Company, [redacted]
53 Southampton Road
Westfield, MA 01085

For filing with the City of Westfield

Proceeds and
☒ Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)	Railroad Distribution Services, Inc. ~~xxMassachusetts~~ By: [signature] Signature(s) of Debtor (Or Assignor)	BankBoston, N.A. By: Mary J. Meeker Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

ANNEX A

All of Borrowers' tangible and intangible personal property and chose-in-action, including, without limitation, all materials, locomotives, equipment, goods, rolling stock of every kind and description, rail ties and capital improvements thereon, equipment, maintenance of way equipment, rights in or over real property, including rail beds, yards and maintenance areas. All rights of each Borrower under any agreements with operating railroads, pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, each companies operating certificate from the Surface Transportation Board f/k/a Interstate Commerce Commission, inventory, accounts, accounts receivable, contracts rights, chattel paper, general intangibles and amounts owed by other than customers regardless of whether or not they constitute proceeds of other Collateral; all chose-in-action, cash, cash deposits, securities, documents, rebates, documents of title, instruments, deposit accounts, debts, refunds, policies and certificates of insurance, obligations and liabilities in whatever form owing from any person, corporation or other legal entity, including all replacements and substitutions therefore or accessions thereto; all books, records, evidence of title, good will, and all papers relating to the operation of the Borrowers' business; all federal, state and local tax refunds and/or abatements and any loss forward and carry back tax refunds; all patents, patent rights, trade secrets, know-how, licenses, trademarks, trade names, logos, registrations, customer lists, computer programs and assignments of patents and all other intellectual property as defined by the Bankruptcy Code Section 101 (53); all fixtures, leases, any and all equipment leases, rentals and other sums payable thereunder, other chattel paper, purchase option payments, lessor's interest in leased equipment and insurance proceeds; licenses or interests in real estate; all liens, guarantees, securities, rights, remedies and privileges pertaining to all of the foregoing; with products and proceeds thereof and all accessions and additions thereto and all replacements and substitutions therefore, and all proceeds of credit, fire, casualty, or other insurance upon said property, or any of the above which are acquired with any cash proceeds, or other collateral, (all hereinafter called the "Collateral"). The term "proceeds" shall include, without limitation, all types or classifications of non-cash proceeds acquired with cash proceeds.

DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: _____
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

City Clerk
Westfield City Hall
59 Court Square
Westfield, MA 01085

Re: Railroad Distribution Services, Inc.

Dear Sir/Madam:

Enclosed please find the following items requiring your action, as indicated below:

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Please return the time stamped receipts relating to the above filings, and the search reports (as requested above), to our office in the enclosed self addressed stamped envelope.

Thank you for your assistance. Please call if you have any questions.

Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

IMPORTANT — Read instructions on back before filling out form

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

4. ☐ Filed for record in the real estate records.	5. ☐ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es)	2. Secured Party(ies) and address(es)	3. For Filing Officer (Date, Time, Number, and Filing Office)
Railroad Distribution Services, Inc. Warehouse - Westfield 66 Industrial Park Road Westfield, MA 01085 *	BankBoston, N.A. 100 Federal Street Boston, MA 02110	

7. This financing statement covers the following types (or items) of property:

See Annex "A" attached hereto and made a part hereof.

1. Debtor's Chief Executive Principal Place of Business: c/o Pinsly Railroad Company, Inc.
53 Southampton Road
Westfield, MA 01085

For filing with the Secretary of State- Massachusetts

Check ☒ if covered: XX Proceeds of Collateral are also covered. X Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)

Railroad Distribution Services, Inc.

By: _____
Signature(s) of Debtor (Or Assignor)

BankBoston, N.A.

By: Mary J. Meehan
Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

STANDARD FORM — UNIFORM COMMERCIAL CODE — FORM UCC-1 Rev. April 1997 *Forms may be purchased from Hobbs & Warren, Inc., Boston, MA 02101*

ANNEX A

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DEBTOR

By: _____
John P. Levine, Vice President

SECURED PARTY

By: _____
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616
TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042
WRITERS DIRECT DIAL
735-8013
PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Secretary of State
UCC Division, Room 1711
1 Ashburton Place
Boston, MA 02109

Re: Railroad Distribution Services, Inc.

Dear Sir/Madam:

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Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

Uniform Commercial Code — FINANCING STATEMENT — Form UCC-2

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This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code.

☐ Filed for record in the real estate records.	5. ☐ Debtor is a Transmitting Utility.	6. No. of Additional Sheets Presented:
1. Debtor(s) (Last Name First) and address(es)	2. Secured Party(ies) and address(es)	3. For Filing Officer (Date, Time, Number, and Filing Office)
Pinsly Railroad Company, Inc. 53 Southampton Road Westfield, MA 01085 *	BankBoston, N.A. 100 Federal Street Boston, MA 02110	

4. This financing statement covers the following types (or items) of property:

See Annex "A" attached hereto and made a part hereof.

~~[x] See Debtor's other addresses attached hereto as Annex "B".~~

For filing with the Secretary of State - Massachusetts

[X] Proceeds and Products of Collateral are also covered.

Whichever is Applicable (See Instruction Number 9)	Pinsly Railroad Company, Inc.	BankBoston, N.A.
	By: [signature]	By: Mary J. Meehan
	Signature(s) of Debtor (Or Assignor)	Signature(s) of Secured Party (Or Assignee)

Filing Officer Copy — Alphabetical

ANNEX A

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DEBTOR

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John P. Levine, Vice President

SECURED PARTY

By: _____
Mary Meehan, Director

LAW OFFICES
COOLEY, SHRAIR P. C.
1380 MAIN STREET-FIFTH FLOOR
SPRINGFIELD, MASSACHUSETTS 01103-1616

TELEPHONE (413) 781-0750 TELECOPIER (413) 733-3042

WRITERS DIRECT DIAL

735-8013

PETER W. SHRAIR

FILE NO. 22780.0005

September 15, 1998

Secretary of State
UCC Division, Room 1711
1 Ashburton Place
Boston, MA 02109

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Sincerely,

PETER W. SHRAIR

PWS/cg
Enclosures

EXHIBIT Q

UCC-1 FINANCING STATEMENTS

FORM OF CONFORMATORY ASSIGNMENT OF CONTRACT

This Assignment dated this ___ day of _____, 1998, is by _____, a _____ corporation (the "Debtor") in favor of BankBoston, N.A., a national banking association organized under the laws of the United States of America, having a usual place of business at 100 Federal Street, Boston, Massachusetts.

WHEREAS, the Debtor is a party to Contract No. _____ dated _____ between the Debtor and _____ (the "Contract"); and

WHEREAS, the Debtor and the Bank have entered into a certain Loan and Security Agreement dated July ___, 1998 (the "Security Agreement"), pursuant to which the Debtor has granted the Bank a security interest in certain assets of the Debtor, including, without limitation, all of the Debtor's right, title and interest in and to the Contract to secure the Obligations referred to in the Security Agreement.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt whereof is hereby acknowledged, the Debtor hereby confirms, acknowledges and agrees that pursuant to, and subject to the terms of the Security Agreement, the Debtor hereby assigns, transfers, pledges and grants to the Bank a security interest in all of the Debtor's right, title and interest in and to all monies due or to become due under the Contract.

Executed as of the date first above written.

[_____]

_____ By:_____

Witness Its duly authorized

FORM OF NOTICE AS ASSIGNMENT OF
ACCOUNTS RECEIVABLE AS SECURITY

BankBoston, N.A.

_____
[Date]

TO: [Contracting Official or Head of
Agency and Disbursing Official]

Re: Payment to _____ [NAME OF COMPANY]
Contract No. _____
Made by the United States of America
Department: _____
Division: _____

For:

Dated:

Ladies and Gentlemen:

Please take notice that the monies due or to become due to _____ (the "Debtor") under the Contract described above, have been assigned to BankBoston, N.A. as security for certain obligations of the Debtor to the Bank, as described more particularly in a Loan and Security Agreement, a true and correct copy of which is attached hereto), dated as of July ___, 1998, as in effect from time-to-time. This notice is given pursuant to the provisions of the Assignment of Claims Act of 1940, as amended and more fully described at 31 U.S.C. § 3727.

Payments due or to become due to the Debtor under the Contract described above should continue to be made to the Debtor until you receive written notice from the Bank directing that such payments be made to another party.

Please return to the undersigned (in the enclosed self-addressed stamped envelope) the

enclosed extra copy of this notice with appropriate notations showing the date and hour of receipt and duly signed by the person acknowledging receipt on behalf of the addressee.

Very truly yours,
BANKBOSTON, N.A.

By:_____
Its authorized official
100 Federal Street
Boston, MA 02110

IRREVOCABLY ACKNOWLEDGED
AND AGREED TO:

[NAME OF COMPANY]

By:_____
Title:_____

ACKNOWLEDGMENT OF RECEIPT

Receipt of the above notice and a copy of the Loan and Security Agreement described above is hereby acknowledged. These were received at _____ a.m./p.m. on _____, 19___.

_____
[Signature]

On behalf of: _____
[Name and Title of Addressee
Of this Notice]