BINGHAM DANA

RECORDATION NO. 21678 FILED

SEP 29 '98 2-12PM

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BOSTON, NEW YORK, WASHINGTON,
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RECEIVED
SURFACE TRANSPORTATION BOARD
SEP 29 2 12 PM '00

September 28, 1998

BY FEDEX

Surface Transportation Board
Recordation
1925 K Street, N.W. - Suite 700
Washington, D.C. 20423

Attention: Secretary

Re: Guilford Transportation Industries, Inc.

Ladies and Gentlemen:

Enclosed for recording with the Surface Transportation Board pursuant to Section 11301 of Title 49 of the U.S. Code are one original and one copy of the fully executed, notarized document described below.

This document is a Security Agreement dated as of September 23, 1998, by and among Guilford Transportation Industries, Inc., a Delaware corporation located at Suite 300, 402 Amherst Street, Nashua, New Hampshire 03063 ("GTI"), Maine Central Railroad Company, a Maine corporation located at 67 High Street, Iron Horse Park, N. Billerica, Massachusetts, 01862 ("MeC"), Boston and Maine Corporation, a Delaware corporation located at 67 High Street, Iron Horse Park, N. Billerica, Massachusetts 01862 ("B&M"), Springfield Terminal Railway Company, a Vermont corporation located at 67 High Street, Iron Horse Park, N. Billerica, Massachusetts 01862 ("ST" and, collectively with GTI, MeC and B&M, the "Debtors" and, each individually, a "Debtor"), and BankBoston, N.A., a national banking association located at 100 Federal Street, Boston, Massachusetts 02110 (the "Secured Party"), covering the Debtors' rolling stock now owned or hereafter acquired and certain other properties and rights of the Debtors. A description of the rolling stock is attached to the Security Agreement as Schedule A, as the same may be revised from time to time, but the property covered by the Security Agreement is not limited to that listed on Schedule A.

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 the Debtors or their successors.

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

"A Security Agreement dated as of September 23, 1998, by and among Guilford Transportation Industries, Inc., a Delaware corporation ("GTI"), Maine Central Railroad Company, a Maine corporation ("MeC"), Boston and Maine Corporation, a Delaware corporation ("B&M"), Springfield Terminal Railway Company, a Vermont corporation ("ST" and, collectively with GTI, MeC and B&M, the "Debtors" and, each individually, a "Debtor"), and BankBoston, N.A., a national banking association (the "Secured Party"), covering the Debtors' rolling stock now owned or hereafter acquired and certain other properties and rights of the Debtors. A description of the rolling stock is attached to the Security Agreement as Schedule A, as the same may be revised from time to time, but the property covered by the Security Agreement is not limited to that listed on Schedule A."

Also enclosed 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 documents by signing and returning to my attention in the envelope provided the enclosed copy of this letter. After filing, please return a filed stamped copy of the Security Agreement to my attention.

Please contact me with any questions or comments that may arise.

Sincerely,

Robert J. Keough, Jr.

Enclosures
cc: Amy L. Kyle, Esq.
Deidre A. Doherty, Esq.
Maria E. Damico

Receipt Acknowledged:

By:_____

Date:_____

RECORDATION NO. 21678 FILED
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SECURITY AGREEMENT

SECURITY AGREEMENT, dated as of September 23, 1998, by and among Guilford Transportation Industries, Inc., a Delaware corporation ("GTI"), Maine Central Railroad Company, a Maine corporation ("MeC"), Boston and Maine Corporation, a Delaware corporation ("B&M"), and Springfield Terminal Railway Company, a Vermont corporation ("ST" and, collectively with GTI, MeC and B&M, the "Borrowers" and, each individually, a "Borrower"), and BankBoston, N.A., a national banking association (the "Bank").

WHEREAS, the Borrowers entered into a Revolving Credit and Term Loan Agreement dated as of September 23, 1998 (as amended and in effect from time to time, the "Credit Agreement"), with the Bank, pursuant to which the Bank, subject to the terms and conditions contained therein, is to make loans to the Borrowers; and

WHEREAS, it is a condition precedent to the Bank's making any loans to the Borrowers under the Credit Agreement that each of the Borrowers execute and deliver to the Bank a security agreement in substantially the form hereof; and

WHEREAS, each of the Borrowers wishes to grant security interests in favor of the Bank as herein provided;

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

1. Definitions. All capitalized terms used herein without definitions shall have the respective meanings provided therefor in the Credit Agreement.

2. Grant of Security Interest.

2.1. Collateral Granted. Each of the Borrowers hereby grants to the Bank, to secure the payment and performance in full of all of the Obligations, a security interest in and so pledges and assigns to the Bank the following properties, assets and rights of such Borrower, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof (all of the same being hereinafter called the "Collateral"):

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

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

(c)(i) The two aircraft and seven engines described below and such other aircraft and engines as may be pledged to the Bank hereafter pursuant to the Aircraft Mortgages:

	Manufacturer	Model	Registration Mark	Manufacturer's Serial Number
Aircraft	Boeing	727-200	N609KW	21950
	Boeing	727-221	N363PA	22535
Engines	Pratt & Whitney	JT8D-17A		688163
	Pratt & Whitney	JT8D-17A		702651
	Pratt & Whitney	JT8D-17A		688039
	Pratt & Whitney	JT8D-17A		685585
	Pratt & Whitney	JT8D-17R		707218
	Pratt & Whitney	JT8D-17R		707231
	Pratt & Whitney	JT8D-17R		689867

(ii) All appliances, components, spare parts, accessories, radios, instruments and equipment installed on or attached to the aircraft and engines described above or any portion thereof;

(iii) All property constituting replacements of, or additions to, and all substitutions for, any of aircraft and engines described above;

(iv) Any proceeds of any of the foregoing, including without limitation any hull or comparable property damage insurance on the aircraft and engines described above (collectively, the "Aircraft"); and

(d) Fifty (50) shares of par value common stock of TTX Company (the "Stock") owned by B&M.

2.2. Delivery of Instruments, etc. Pursuant to the terms hereof, each of the Borrowers has endorsed, assigned and delivered to the Bank all negotiable or non-negotiable instruments, certificated securities and chattel paper pledged by it hereunder, together with instruments of transfer or assignment duly executed in blank as the Bank may have specified. In the event that any Borrower shall, after the date of this Agreement, acquire any other negotiable or non-negotiable instruments, certificated securities or chattel paper to be pledged by it hereunder, such Borrower shall forthwith endorse, assign and deliver the same to the Bank, accompanied by such instruments of transfer or assignment duly executed in blank as the Bank may from time to time specify.

2.3. Pledge Agreement. Concurrently herewith B&M is executing and delivering to the Bank a pledge agreement pursuant to which B&M is pledging to the Bank fifty (50) shares of the capital stock of TTX Company. Such pledge shall be governed by the terms of such pledge agreement and not by the terms of this Agreement.

2.4. Aircraft Mortgages. Concurrently herewith GTI is executing and delivering to the Bank (a) an aircraft mortgage pursuant to which GTI is granting to the Bank a security interest in one (1) Boeing 727-200 aircraft and four (4) Pratt & Whitney JT8D-17A engines and (b) an aircraft mortgage pursuant to which GTI is granting a security interest in one (1) Boeing 727-221 aircraft and three (3) Pratt & Whitney JT8D-17R engines together with additional parts, equipment and other related assets. In addition, GTI will in the future execute and deliver to the Bank an aircraft mortgage pursuant to which GTI is granting to the Bank a security interest in one (1) Boeing 727-221 aircraft and three (3) Pratt & Whitney JT8D-17R engines together with additional parts, equipment and other related assets. Such mortgages shall be governed by the terms of such mortgages and not by the terms of this Agreement.

3. Title to Collateral, etc. Each of the Borrowers is the owner of the Collateral free from any adverse lien, security interest or other encumbrance, except for the security interest created by this Agreement and the lien granted to BNH in connection with the BNH Facility. None of the Collateral constitutes, or is the proceeds of, "farm products" as defined in §9-109(3) of the Uniform Commercial Code of the Commonwealth of Massachusetts. None of the account debtors in respect of any accounts, chattel paper or general intangibles and none of the obligors in respect of any instruments included in the Collateral is a governmental authority subject to the Federal Assignment of Claims Act. If any Account arises out of a contract with the federal government, the Borrowers will so notify the Bank, will specifically assign such contract to the Bank and will cooperate with the Bank to give notice of such assignment under the Federal Assignment of Claims Act.

4. Continuous Perfection. Each Borrower's place of business or, if more than one, chief executive office is indicated on such Borrower's Perfection Certificate delivered to the Bank herewith (the "Perfection Certificate"). None of the Borrowers will change the same, or the name, identity or corporate structure of such Borrower in any manner, without providing at least 30 days prior written notice to the Bank. The Collateral, to the extent not delivered to the Bank pursuant to §2.2 and except as otherwise provided in this §4, will be kept at those locations listed on such Borrower's Perfection Certificate and such Borrower will not remove the Collateral from such locations, without providing at least 30 days prior written notice to the Bank. The locomotives described in Schedule A are and shall be used in the Borrowers' businesses on or in connection with Guilford Rail System and shall not be used on or in connection with any other rail system other than in connection with the run-through power arrangement without the prior written consent of the Bank. The locomotives and freight cars described in Schedule A are and shall be used in connection with the national rail system and shall not be removed therefrom except to traverse Canada in connection with ordinary business without the prior written consent of the Bank.

5. Rolling Stock. Each Borrower agrees not to change any markings or serial numbers on any of the Rolling Stock until after such Borrower has given notice in writing to the Bank of its intention to make such change, which such notice need not be given more frequently than once a month. Each Borrower agrees to notify the Bank of any other Rolling Stock which such Borrower may hereafter pledge as Collateral under the Credit Agreement. Each Borrower agrees that it will execute and deliver to the Bank supplemental security agreements and other instruments, as referred to in §6 hereof and file the same in the appropriate recording offices at such times as any assignable right, title or interest is so pledged in the future by such Borrower in any other Rolling Stock and at such times as any change is made in one or more of the markings or serial numbers on any of the Rolling Stock. All such supplemental security agreements and

other instruments shall secure all of the Obligations pro rata and shall be on terms and conditions satisfactory to the Bank as evidenced by its written consent thereto.

6. Creation and Perfection of Liens. Each Borrower represents and warrants to the Bank and covenants with the Bank 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 (the "Board") in accordance with §11303 of Title 49 of the United States Code and the rules and regulations thereunder, and (ii) the filing under the Uniform Commercial Code as in effect in the states in which such Borrower or any Collateral is located (the "UCC") of UCC financing statements describing the Collateral naming the appropriate Borrower as Borrower and the Bank 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 or to continue the perfection of, as the case may be, the security interest of the Bank in such of the Collateral as to which a security interest may be perfected by filing under the UCC or the ICC Termination Act of 1995, as amended (the "ITA"), and such security interest shall remain prior to all other liens, except as contemplated by the Credit Agreement and the Intercreditor 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 thereof. The Collateral and the Bank 's rights with respect to the Collateral are not subject to any setoff, claims, withholdings or other defenses.

7. No Liens. Except for the security interest herein granted and the lien granted to BNH in connection with the BNH Facility, each of the Borrowers shall be the owner of the Collateral free from any lien, security interest or other encumbrance, and such Borrower shall defend the same against all claims and demands of all persons at any time claiming the same or any interests therein adverse to the Bank. None of the Borrowers shall pledge, mortgage or create, or suffer to exist a security interest in the Collateral in favor of any person other than the Bank except for liens permitted by the Credit Agreement.

8. No Transfers. None of the Borrowers will sell or offer to sell or otherwise transfer the Collateral or any interest therein without the prior written consent of the Bank, which shall not be unreasonably withheld.

9. Insurance.

9.1. Maintenance of Insurance. Each of the Borrowers will maintain with financially sound and reputable insurers insurance with respect to its properties and business against such casualties and contingencies as shall be in accordance with general practices of businesses engaged in similar activities in similar geographic areas. Such insurance shall be in such minimum amounts that such Borrower will not be deemed a co-insurer under applicable insurance laws, regulations and policies and otherwise shall be in such amounts, contain such terms, be in such forms and be for such periods as may be reasonably satisfactory to the Bank. In addition, all such insurance shall be payable to the Bank as loss payee. Without limiting the foregoing, each of the Borrowers will (i) keep all of its physical property insured with casualty or physical hazard insurance on an "all risks" basis, with broad form flood and earthquake coverages and electronic data processing coverage, with a full replacement cost endorsement and an "agreed amount" clause in an amount equal to 100% of the full replacement cost of such property, (ii)

maintain all such workers' compensation or similar insurance as may be required by law and (iii) maintain general public liability insurance against claims of bodily injury, death or property damage occurring, on, in or about the properties of such Borrower; business interruption insurance; and product liability insurance.

9.2. Insurance Proceeds. The proceeds of any casualty insurance in respect of any casualty loss of any of the Collateral shall, subject to the rights, if any, of other parties with a prior interest in the property covered thereby, (a) so long as no Default or Event of Default has occurred and is continuing, be disbursed to the applicable Borrower for direct application by such Borrower solely to (i) the repair or replacement of such Borrower's property so damaged or destroyed or (ii) the application of such proceeds in repayment of the Obligations and (b) after the occurrence and during the continuance of a Default or Event of Default, be held by the Bank as cash collateral for the Obligations or applied in repayment of the Obligations which are then due and payable.

9.3. Notice of Cancellation, etc. All policies of insurance shall provide for at least fifteen (15) days prior written cancellation notice to the Bank. In the event of failure by any Borrower to provide and maintain insurance as herein provided, the Bank may, at its option, provide such insurance and charge the amount thereof to such Borrower. Each of the Borrowers shall furnish the Bank with certificates of insurance and policies evidencing compliance with the foregoing insurance provision.

10. Maintenance of Collateral; Compliance with Law. Each of the Borrowers will keep the Collateral in good order and repair and will not use the same in violation of law or any policy of insurance thereon. The Bank, or its designee, may inspect the Collateral at any reasonable time, wherever located. Each of the Borrowers will pay promptly when due all taxes, assessments, governmental charges and levies upon the Collateral or incurred in connection with the use or operation of such Collateral or incurred in connection with this Agreement. Each of the Borrowers has at all times operated, and each of the Borrowers will continue to operate, its business in compliance with all applicable provisions of the federal Fair Labor Standards Act, as amended, and with all applicable provisions of federal, state and local statutes and ordinances dealing with the control, shipment, storage or disposal of hazardous materials or substances.

11. Collateral Protection Expenses; Preservation of Collateral.

11.1. Expenses Incurred by Bank. In its discretion, the Bank may discharge taxes and other encumbrances at any time levied or placed on any of the Collateral, make repairs thereto and pay any necessary filing fees. Each of the Borrowers agrees to reimburse the Bank on demand for any and all expenditures so made. The Bank shall have no obligation to any Borrower to make any such expenditures, nor shall the making thereof relieve any Borrower of any default.

11.2. Bank's Obligations and Duties. Anything herein to the contrary notwithstanding, each of the Borrowers shall remain liable under each contract or agreement comprised in the Collateral to be observed or performed by such Borrower thereunder. The Bank shall not have any obligation or liability under any such contract or agreement by reason of or arising out of this Agreement or the receipt by the Bank of any payment relating to any of the Collateral, nor shall the Bank be obligated in any manner to perform any of the obligations of any Borrower under or pursuant to any such contract or agreement, to make inquiry as to the nature or sufficiency of any payment

received by the Bank in respect of the Collateral or as to the sufficiency of any performance by any party under any such contract or agreement, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to the Bank or to which the Bank may be entitled at any time or times. The Bank's sole duty with respect to the custody, safe keeping and physical preservation of the Collateral in its possession, under §9-207 of the Uniform Commercial Code of the Commonwealth of Massachusetts or otherwise, shall be to deal with such Collateral in the same manner as the Bank deals with similar property for its own account.

12. Securities and Deposits. Whether or not any Obligations are due, the Bank, at its sole expense (prior to a Default or Event of Default), may demand, sue for, collect, or make any settlement or compromise which it deems desirable with respect to the Collateral. Regardless of the adequacy of Collateral or any other security for the Obligations, any deposits or other sums at any time credited by or due from the Bank to any Borrower may at any time be applied to or set off against any of the Obligations.

13. Notification to Account Debtors and Other Obligors. If a Default or an Event of Default shall have occurred and be continuing, any Borrower shall, at the request of the Bank, notify account debtors on accounts, chattel paper and general intangibles of such Borrower and obligors on instruments for which such Borrower is an obligee of the security interest of the Bank in any account, chattel paper, general intangible or instrument and that payment thereof is to be made directly to the Bank or to any financial institution designated by the Bank as the Bank's agent therefor, and the Bank may itself, if a Default or an Event of Default shall have occurred and be continuing, without notice to or demand upon such Borrowers, so notify account debtors and obligors. After the making of such a request or the giving of any such notification, such Borrower shall hold any proceeds of collection of accounts, chattel paper, general intangibles and instruments received by such Borrower as trustee for the Bank without commingling the same with other funds of such Borrower and shall turn the same over to the Bank in the identical form received, together with any necessary endorsements or assignments. The Bank shall apply the proceeds of collection of accounts, chattel paper, general intangibles and instruments received by the Bank to the Obligations, such proceeds to be immediately entered after final payment in cash or solvent credits of the items giving rise to them.

14. Further Assurances. Each of the Borrowers, at it's the Bank's expense (prior to a Default or Event of Default), shall do, make, execute and deliver all such additional and further acts, things, deeds, assurances and instruments as the Bank may require more completely to vest in and assure to the Bank its rights hereunder or in any of the Collateral, including, without limitation, (i) executing, delivering and, where appropriate, filing financing statements and continuation statements under the Uniform Commercial Code, (ii) obtaining governmental and other third party consents and approvals, (iii) obtaining waivers from mortgagees and landlords and (iv) taking all actions required by Sections 8-313 and 8-321 of the Uniform Commercial Code (1990) or Sections 8-106 and 9-115 of the Uniform Commercial Code (1994), as applicable in each relevant jurisdiction, with respect to certificated and uncertificated securities.

15. Remedies. If an Event of Default shall have occurred and be continuing, the Bank may, without notice to or demand upon any Borrower, declare this Agreement to be in default, and the Bank shall thereafter have in any jurisdiction in which enforcement hereof is sought, in addition to all other rights and remedies provided under this Agreement or under any of the Loan Documents, the rights and remedies of a secured party under the Uniform Commercial Code and

the rights and remedies of a secured party holding a security interest in collateral pursuant to the ITA, including, without limitation, the right to take possession of the Collateral, and for that purpose the Bank may, so far as such Borrower can give authority therefor, enter upon any premises on which the Collateral may be situated and remove the same therefrom. The Bank may in its discretion require such Borrower to assemble all or any part of the Collateral at such location or locations within the state(s) of such Borrower's principal office(s) or at such other locations as the Bank may designate. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Bank shall give to such Borrower at least ten Business Days prior written notice of the time and place of any public sale of Collateral or of the time after which any private sale or any other intended disposition is to be made. Each of the Borrowers hereby acknowledges that ten Business Days prior written notice of such sale or sales shall be reasonable notice. Expenses of retaking, holding, preparing for sale, selling or the like shall include the Bank's reasonable attorneys' fees and legal expenses. Nothing in this §15 shall limit any rights and remedies available hereunder or at law to the Bank upon the occurrence of any Default or Event of Default, all of which rights and remedies are to be treated as cumulative and not exclusive, and the Bank may upon any default exercise any or all of such rights and remedies in such order and at such times as the Bank may elect. In addition, each of the Borrowers waives any and all rights that it may have to a judicial hearing in advance of the enforcement of any of the Bank's rights hereunder, including, without limitation, its right following an Event of Default to take immediate possession of the Collateral and to exercise its rights with respect thereto. To the extent that any of the Obligations are to be paid or performed by a person other than a Borrower, each of the Borrowers waives and agrees not to assert any rights or privileges which it may have under §9-112 of the Uniform Commercial Code of the Commonwealth of Massachusetts.

16. No Waiver, etc. Each of the Borrowers waives demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, credit extended, Collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description. With respect to both the Obligations and the Collateral, each of the Borrowers assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of or failure to perfect any security interest in any Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payment thereon and the settlement, compromising or adjusting of any thereof, all in such manner and at such time or times as the Bank may deem advisable. The Bank shall have no duty as to the collection or protection of the Collateral or any income thereon, nor as to the preservation of rights against prior parties, nor as to the preservation of any rights pertaining thereto beyond the safe custody thereof as set forth in §11.2. The Bank shall not be deemed to have waived any of its rights upon or under the Obligations or the Collateral unless such waiver shall be in writing and signed by the Bank. No delay or omission on the part of the Bank in exercising any right shall operate as a waiver of such right or any other right. A waiver on any one occasion shall not be construed as a bar to or waiver of any right on any future occasion. All rights and remedies of the Bank with respect to the Obligations or the Collateral, whether evidenced hereby or by any other instrument or papers, shall be cumulative and may be exercised singularly, alternatively, successively or concurrently at such time or at such times as the Bank deems expedient.

17. Marshalling. The Bank shall not be required to marshal any present or future collateral security (including but not limited to this Agreement and the Collateral) for, or other assurances of payment of, the Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of its rights hereunder and in respect

of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights, however existing or arising. To the extent that it lawfully may, each of the Borrowers hereby agrees that it will not invoke any law relating to the marshalling of collateral which might cause delay in or impede the enforcement of the Bank's rights under this Agreement or under any other instrument creating or evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, each of the Borrowers hereby irrevocably waives the benefits of all such laws.

18. Proceeds of Dispositions; Expenses. Each of the Borrowers shall pay to the Bank on demand any and all expenses, including reasonable attorneys' fees and disbursements, incurred or paid by the Bank in protecting, preserving or enforcing the Bank's rights under or in respect of any of the Obligations or any of the Collateral. After deducting all of said expenses, the residue of any proceeds of collection or sale of the Obligations or Collateral shall, to the extent actually received in cash, be applied to the payment of the Obligations in such order or preference as the Bank may determine, proper allowance and provision being made for any Obligations not then due. Upon the final payment and satisfaction in full of all of the Obligations and after making any payments required by Section 9-504(l)(c) of the Uniform Commercial Code of the Commonwealth of Massachusetts, any excess shall be returned to the appropriate Borrower, and each of the Borrowers shall remain liable for any deficiency in the payment of the Obligations.

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

20. Intercreditor Agreement. Notwithstanding any provision of this Agreement to the contrary, the rights and remedies of the Bank hereunder shall be subject to the terms of a certain Intercreditor Agreement by and between the Bank and Bank of New Hampshire of near or even date herewith.

21. Governing Law; Consent to Jurisdiction. THIS AGREEMENT IS INTENDED TO TAKE EFFECT AS A SEALED INSTRUMENT AND SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS. Each of the Borrowers agrees that any suit for the enforcement of this Agreement may be brought in the courts of the Commonwealth of Massachusetts or any federal court sitting therein and consents to the non-exclusive jurisdiction of such court and to service of process in any such suit being made upon each of the Borrowers by mail at the address specified in §13.3 of the Credit Agreement. Each of the Borrowers hereby waives any objection that it may now or hereafter have to the venue of any such suit or any such court or that such suit is brought in an inconvenient court.

22. Waiver of Jury Trial. EACH OF THE BORROWERS WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THE PERFORMANCE OF ANY SUCH RIGHTS OR OBLIGATIONS. Except as prohibited by law, each of the Borrowers waives any right which it may have to claim or recover in any litigation referred to in the preceding sentence any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. Each of the Borrowers (i) certifies that neither the Bank nor any representative, agent or attorney of the

Bank has represented, expressly or otherwise, that the Bank would not, in the event of litigation, seek to enforce the foregoing waivers and (ii) acknowledges that, in entering into the Credit Agreement and the other Loan Documents to which the Bank is a party, the Bank is relying upon, among other things, the waivers and certifications contained in this §22.

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

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

GUILFORD TRANSPORTATION INDUSTRIES, INC.

By: _____
Title: Senior Vice President-Finance

BOSTON AND MAINE CORPORATION

By: _____
Title: Senior Vice President-Finance

MAINE CENTRAL RAILROAD COMPANY

By: _____
Title: Senior Vice President-Finance

SPRINGFIELD TERMINAL RAILWAY COMPANY

By: _____
Title: Senior Vice President-Finance

Accepted:

BANKBOSTON, N.A.

By: _____
Title:

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

GUILFORD TRANSPORTATION INDUSTRIES, INC.

By: _____
Title:

BOSTON AND MAINE CORPORATION

By: _____
Title:

MAINE CENTRAL RAILROAD COMPANY

By: _____
Title:

SPRINGFIELD TERMINAL RAILWAY COMPANY

By: _____
Title:

Accepted:

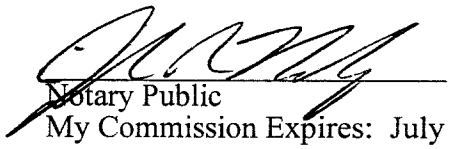
BANKBOSTON, N.A.

By: [signature]
Title: Vice President

CERTIFICATE OF ACKNOWLEDGMENT

COMMONWEALTH OF MASSACHUSETTS)
)
COUNTY OF MIDDLESEX) SS.

Before me, the undersigned, a Notary Public in and for the county aforesaid, on this 23rd day of September, 1998, personally appeared Michael A. Holmes, to me known personally, and who, being by me first duly sworn, deposes and says that he is the Senior Vice President - Finance for Guilford Transportation Industries, Inc. and its subsidiaries and that said instrument was signed and sealed on behalf of said corporations by authority of its Board of Directors, and said Michael A. Holmes acknowledged said instrument to be the free act and deed of said corporations.



Notary Public
My Commission Expires: July 6, 2001

SCHEDULE A

Description of Rolling Stock

LOCOMOTIVES (91 Units)

Seventeen (17) Model GP-35 EMD 2,500 HP locomotives owned by Springfield Terminal Railway Company ("ST") bearing Road Nos. ST-200 through ST-216.

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

Forty-six (46) Model GP-40 EMD 3,000 HP locomotives owned by Maine Central Railroad Company ("MEC") bearing Road Nos. MEC-300 through MEC-321, MEC-343 through MEC-354, and MEC-370 through MEC 381.

Fourteen (14) Model GP-40 EMD 3,000 HP locomotives owned by Boston and Maine Corporation bearing Road Nos. BM-326 through BM-330, BM-332 through BM-335, BM-337, and BM-339 through BM-342.

Four (4) Model SD-26 EMD 2,600 HP locomotives owned by Springfield Terminal Railway Company bearing Road Nos. ST-615, ST-619, ST-621 and ST-643.

Three (3) Model SD-39 EMD 3,000 HP locomotives owned by Boston and Maine Corporation bearing Road Nos. BM-690, BM-691 and BM-693.

Two (2) Model SD-45 EMD 3,600 HP locomotives owned by Springfield Terminal Railway Company bearing Road Nos. ST-681 and ST-684.

Four (4) Model U18-B GE 1,800 HP locomotives owned by Maine Central Railroad Company bearing Road Nos. MEC-402, MEC-404, MEC-406 and MEC-407.

FREIGHT CARS (862 Units)

Ninety-eight (98) 70-ton cushioned boxcars owned by Boston and Maine Corporation bearing road Nos. BM-3200, BM-3201, BM-3203, BM-3205, and Bm-3206 through BM-3299.

Fifty (50) 70-ton cushioned boxcars owned by Boston and Maine Corporation bearing Road Nos. BM-3300 through BM-3349.

Forty-nine (49) 70-ton cushioned boxcars owned by Boston and Maine Corporation bearing Road Nos. BM-3350 and BM-3352 through BM-3399.

Forty (40) 70-ton cushioned boxcars owned by Boston and Maine Corporation bearing Road Nos. BM-3500 through BM-3539.

Forty-nine (49) 70-ton rigid boxcars owned by Boston and Maine Corporation bearing Road Nos. BM-79000 through BM-79002 and BM-79004 through BM-79049.

Twenty (20) 70-ton cushioned boxcars owned by Maine Central Railroad Company bearing Road Nos. MEC-27100 through MEC 27119.

Four (4) 70-ton cushioned boxcars owned by Maine Central Railroad Company bearing Road Nos. MEC-28000 through MEC-28002, and MEC-28004.

Twenty (20) 70-ton cushioned boxcars owned by Maine Central Railroad Company bearing Road Nos. MEC-28100 through MEC-28119.

Two hundred twenty-one (221) 70-ton cushioned boxcars owned by Maine Central Railroad Company bearing Road Nos. MEC-29000 through MEC-29056, MEC-29058 through MEC-29063, MEC-29065 through MEC 29152, MEC-29154 through MEC-29157, MEC-29159 through MEC-29178, MEC-29180, MEC-29182 through MEC-29189, and MEC-29193 through MEC-29229.

Ninety-nine (99) 2224 cu.ft. 100-ton gondola cars owned by Boston and Maine Corporation bearing Road Nos. BM-9000 through BM-9008, and BM-9010 through BM-9099.

Seventy-five (75) 2224 cu.ft. 100-ton gondola cars owned by Main Central Railroad Company bearing Road Nos. MEC-1100 through MEC-1174.

Sixty-one (61) 3023 cu.ft. 100-ton hopper cars owned by Boston and Maine Corporation bearing Road Nos. BM-1001, BM-1003, BM-1007, BM-1011, BM-1013, BM-1022, BM-1025, BM-1030, BM-1031, BM-1047, BM-1048, BM-1054, BM-1056, BM-1057, BM-1060, BM-1962, BM-1068, BM-1075, BM-1077, BM-1081, BM-1083, BM-1084, BM-1093, BM-1094, BM-1100, BM-1105, BM-1111, BM-1112, BM-1114, BM-1115, BM-1117, BM-1118, BM-1119, BM-1121, BM-1122, BM-1126, BM-1127, BM-1128, BM-1133, BM-1136, BM-1138, BM-1139, BM-1143, BM-1146, BM-1150, BM-1151, BM-1152, BM-1155, BM-1156, BM-1160, BM-1163, BM-1165, BM-1169, BM-1170, BM-1174, BM-1180, BM-1182, BM-1184, BM-1189, BM-1192 and BM-1198.

Thirty (30) 1844 cu.ft. 100-ton hopper cars owned by Boston and Maine Corporation bearing Road Nos. BM-1238, BM-1239, BM-1252, BM-1255, BM-1257, BM-1259, BM-1267, BM-1269, BM-1278, BM-1279, BM-1292, BM-1293, BM-1300, BM-1301, BM-1308, BM-1312, BM-1316, BM-1318, BM-1325, BM-1326, BM-1328, BM-1333, BM 1338, BM-1339, BM-1341, BM-1350, BM-1354, BM-1355, BM-1359, and BM-1364.

Ten (10) 1844 cu.ft. 100-ton hopper cars owned by Maine Central Railroad Company bearing Road Nos. MEC-102, MEC-115, MEC-117, MEC-119, MEC-123, MEC-161, MEC-183, MEC-195, MEC-205, and MEC-213.