

HENRY L. MURPHY, JR.
J. DOUGLAS MURPHY

G. ARTHUR HYLAND, JR.
SUSAN MERRITT-GLENNY *
* ALSO ADMITTED IN CONNECTICUT

MURPHY AND MURPHY
COUNSELLORS AT LAW
243 SOUTH STREET
LOCK DRAWER M
HYANNIS, MASSACHUSETTS 02601-1412

TELEPHONE
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(508) 775-3720

NOTARY PUBLIC

PLEASE REPLY OUR FILE No. 11102

20264

SEP 13 1996 - 2:46 PM

SEP 13 1996
September 11, 1996

RECEIVED
SURFACE TRANSPORTATION
BOARD
SEP 13 2 46 PM '96

Surface Transportation Board
In lieu of the Interstate Commerce Commission
12th Street and Constitution Avenue, Northwest
Washington, DC 20423

Attn: Recordation Unit

Re: Reporting Security Agreement

Dear Sir/Madam:

Enclosed for recording herewith please find the following:

1. Original Commercial Security Agreement between G.B. Leasing Corp. and Cape Cod Railroad Corporation;
2. A copy of the Commercial Security Agreement between G.B. Leasing Corp. and Cape Cod Railroad Corporation; and
3. Filing fee in the amount of \$22.00.

Would you kindly record the original agreement and return to me the copy noting the recordation information.

Please do not hesitate to contact me if you have any questions regarding the enclosed.

Sincerely,

Susan Merritt-Glenny
Susan Merritt-Glenny

SMG/nh

Enc.

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

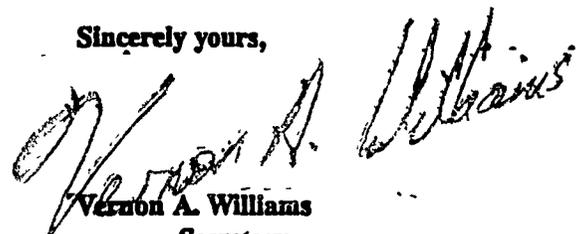
9/13/96

Susan Merritt-Glenny
Murphy And Murphy
Counsellors At Law
243 South Street
Lack Drawer M
Hyannis, Massachusetts 02601-1212

Dear Madam:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 9/13/96 at 2:50PM, and assigned recordation number(s). 20264.

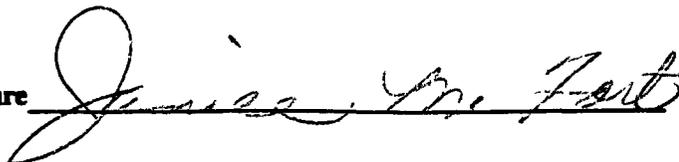
Sincerely yours,


Vernon A. Williams
Secretary

Enclosure(s)

\$ 21.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



SEP 13 1996 - 2 22 PM

COMMERCIAL SECURITY AGREEMENT * Modified Jan 16, 1996

THE MORTGAGOR/
BORROWER -

G.B. LEASING CORP., a Massachusetts corporation with a place of business at 60 Water Street, Marion, MA 02738 (herein the "Mortgagor")

THE DEBTOR -

CAPE COD RAILROAD CORPORATION, a Massachusetts Corporation with a principal place of business at 252 Main Street, Hyannis, Barnstable County, Massachusetts, 02601 (herein "Cape Cod")

THE MORTGAGEE -
LENDER/SECURED
PARTY

Richard Davis and Ray Glaser, d/b/a Atlantis Caterers, with a place of business at 18 Beach Street, Monument Beach, Barnstable County, Massachusetts and a mailing address of P. O. Box 422 Monument Beach, Massachusetts 02553 (herein the "Mortgagee" or the "Lender" or the "Secured Party")

THE LOAN AMOUNT -

*9/13/96
RWG-1-16-96* \$41,568.66

~~\$23,961.58~~, plus interest and other costs and charges, if any, as provided in the "Note" together with all sums due and owing, directly or indirectly, absolutely or contingently, due or to become due, now existing or hereafter arising pursuant to that Catering Agreement between the Mortgagor and the Lender dated February 10, 1995 and pertaining to the provision of certain catering services to the Mortgagor's business, becoming due after the date hereof (the foregoing being collectively referred to as the "Obligations")

THE NOTE -

That certain Note to the Mortgagee by the Debtor dated December 8, 1995, made and given by the Mortgagor in the original principal amount of ~~\$23,961.58~~ (herein the "Note")

*9/13/96 \$41,568.66
RWG-1-16-96*

THE PERSONAL
PROPERTY -

The personal property constituting a railroad car used by the Mortgagor in its business and more particularly described as the "NOBSKA" dining/lounge car constructed in 1912 and bearing serial number 100, such diner/lounge car being previously entitled "The Enterprise" (herein the "Personal Property")

THE CATERING
AGREEMENT -

That certain agreement between the Lender and the Mortgagor dated February 10, 1995 and

concerning the provisions of catering services by the Lender to the Mortgagor.

THE LOAN DOCUMENTS- This Commercial Security Agreement (the "Security Agreement"), the Note and the Catering Agreement between the Mortgagor and the Lender dated February 10, 1995 (herein the "Catering Agreement")

The Mortgagor, for consideration paid, hereby grants to the Lender a security interest in the Personal Property to secure payment of the Loan Amount, with interest and all other charges due thereon, payable as provided in the Note and the Catering Agreement, and also to secure the payment and performance of all covenants and agreements contained herein and in the other Loan Documents.

The term "Property" as used in this instrument shall mean the Personal Property, and all other items of personal property including furniture, fixtures and equipment whether attached or unattached but maintained and used in the operation of the Personal Property for its intended purposes. The Mortgagor also assigns to the Lender all of its right, title and interest in and to any leases, rental income, equipment trust agreement, conditional sales agreement or other instrument evidencing the Mortgagor's right to the payment of monies for the use of the Personal Property by an other party, and agrees to fully and duly perform all of its obligations under any of the aforesaid leases, and to surrender and deliver up the same to the Lender upon and as of any default hereunder or under any of the Loan Documents, in part satisfaction of its obligations hereunder or thereunder; and furthermore agrees to indemnify and defend the Lender from any loss or damage, including reasonable attorney's fees incurred or sustained as a result of the Mortgagor's default on any of such leases, trust agreements, sales agreements or other instruments.

A. The Mortgagor hereby grants to the Lender a security interest in the Personal Property to secure all obligations secured hereby.

B. The Mortgagor covenants and agrees that, as of the execution hereof and upon the subsequent acquisition of any personal property and fixtures pertaining to the Personal Property, the Mortgagor shall:

(1) provide the holder with a precise inventory of the same, as and when acquired;

(2) if requested by the holder, execute and deliver to the holder, in form appropriate for recording and filing, a first security agreement and financing statements on all such articles, fixtures and equipment;

(3) provide to the holder such other assurances as may be required by the holder to establish the holder's first and prior security interest in such articles, fixtures and equipment; and

(4) execute, deliver and cause to be recorded and filed from time to time, without notice or demand, and at the Debtor's sole cost and expense, continuances and such other instruments as will maintain the holder's priority of security in such articles, fixtures and equipment.

C. The Mortgagor further covenants:

(1) To pay at least ten (10) days before the same become delinquent (and to provide, by such time, evidence of such payment satisfactory to the holder) all taxes, charges, use fees, rates, rents and assessments of every name and nature, whether or not assessed against the Mortgagor, if applicable or related to the Property, or any interest therein, or the debt, obligation or any agreement secured hereby, or the Note or other Obligations secured hereby, or the disbursement or the application of the proceeds thereof, but nothing in this Section (1) contained shall, however, extend to any income tax or corporation excise tax of the holder;

(2) that if at any time any law or court decree prohibits the performance of any obligation undertaken herein by the Mortgagor, or provides that any amount to be paid hereunder by the Mortgagor must be credited against the Mortgagor's obligations under the Note, the holder shall have the right, on fifteen (15) days' prior notice to the Mortgagor, to require payment in full of the entire indebtedness secured hereby;

(3) to keep the Property in good order, repair and condition, damage from casualty expressly not excepted, and not to permit or commit waste on the Property, nor to remove or alter anything which constitutes a part of the Property without the consent of the holder and to permit the holder to enter the Property, at any reasonable time, to determine whether the Mortgagor is in compliance with its obligations under this Mortgage; and each and every part of the Property shall be maintained and used in accordance with, any lawful requirement or provision, public or private, relating to the same or the use thereof;

(4) to carry with respect to the Property and its use such insurance as the holder may from time to time require and as may from time to time be required by any applicable Federal, State or local law or regulation; and all insurance (with evidence of payment of premiums thereon satisfactory to the holder) so required to be maintained, together with any other insurance with respect to the Property maintained by the Mortgagor, shall be deposited with, and, except for public liability coverage and any other coverage

the holder may determine shall not be payable to it in case of loss, shall be first payable in case of loss to the holder; all renewals or replacements of such insurance from time to time in force together with evidence of payment of premiums thereon satisfactory to the holder shall be delivered to the holder at least twenty (20) days before the expiration date of then current insurance; all insurance required as aforesaid to be maintained with respect to the Property shall be written by such companies, on such terms, in such form and for such periods and amounts as the holder shall from time to time approve; and not settlement on account of any loss covered by such insurance shall be effected without the consent of the holder;

(5) that the proceeds of any hazard insurance shall, at the option of the holder, be applied to or toward the indebtedness secured hereby in such order as the holder may determine (in which event the Mortgagor shall be relieved of the obligation in Section 4 of this Mortgage to the extent of the repair of that part of the Property damaged by the hazard with respect to which insurance is paid); or if the holder shall require repair of that part of the Property so damaged by such insured hazard, the holder shall release to the Mortgagor insurance proceeds paid to it upon such conditions as the holder may prescribe and upon completion of such repair shall, at the holder's option, apply any excess insurance proceeds to or toward the indebtedness secured hereby in such order as the holder may determine or release the same to the Mortgagor; notwithstanding anything in this Section 6 to the contrary, however, if the insurer denies liability to the Mortgagor, the Mortgagor shall not be relieved of any obligation under Section 4 of this Mortgage, whether or not the proceeds of insurance are applied to or toward the indebtedness secured hereby;

(6) that any awards of damages on account of any condemnation for public use of or injury to the Property shall be paid to the holder; such awards shall, at the option of the holder, be applied to or toward the indebtedness secured hereby in such order as the holder may determine, in which event the Mortgagor shall be relieved of the obligation in Section 4 of this Mortgage to the extent of the repair of that part of the Property which remains and which has been damaged or injured by such public action; or if the holder shall require restoration of that part of the Property which remains, the holder shall release to the Mortgagor such awards paid to it upon such conditions as the holder may prescribe, but not more than such portion of such awards as may be required to repair such damage or injury; and any balance remaining shall be applied by the holder to or toward the indebtedness secured hereby in such order as the holder may determine;

(7) not to lease the Property or any part thereof to any person or entity other than Debtor. Faithfully to keep, observe and satisfy the obligations on the part of the lessee to be kept,

performed and satisfied under every lease from time to time in force with reference to the Unit, and not to alter or terminate any such lease or pay any rentals for more than one month in advance; and, at any time on notice from the holder, to submit to the holder for examination all such leases and on the demand of the holder, to assign and deliver to the holder any or all such leases, such assignments to be in form satisfactory to the holder, but in all events to provide that the Mortgagor shall retain possession and occupancy thereof until a default occurs in any covenant or condition in this Agreement; and the holder shall have the right, by the execution of suitable written instruments from time to time, to subordinate this Mortgage, and the rights of the holder hereunder, to any lease or leases from time to time in force with reference to the Unit, 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;

(8) that the Personal Property is not now nor shall it any time hereafter be subject to any prior or subordinate mortgage, trust agreement or other security instrument;

(9) that the Debtor shall conform to all terms and conditions of the note and the Loan Documents as set forth or referred to therein;

(10) that the Debtor shall pay when due all fees and charges incurred incident to the loan transaction evidenced by the Note and secured by this Mortgage, the assurance of the security represented by this Mortgage, and incident to the enforcement of the Note, this Mortgage and any other obligation secured by this Mortgage;

(11) that, from time to time, on the request of the holder, the Mortgagor and Debtor shall furnish written statements, signed and, if requested, acknowledged, setting forth the amount of the indebtedness which the Mortgagor and Debtor acknowledge to be due on the Note or under this Mortgage, specifying any claims of offset or defense which either the Mortgagor or Debtor asserts against the indebtedness secured hereby or any obligations to be paid or performed hereunder, and the then state of facts relative to the condition of the Property;

(12) whether or not for additional interest or other consideration paid or payable to the holder, no forbearance on the part of the holder 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 the holder to the Mortgagor, Debtor 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 the Mortgagor or Debtor, or the priority of this Mortgage or to limit, prejudice or impair any right of the holder, 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 the Mortgagor and all those claiming by, through or under the Mortgagor; and no consent or waiver, express or implied, by the holder to or of any default by the Mortgagor or Debtor 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 redemption is had by the Mortgagor after foreclosure proceedings have begun, the holder shall be entitled to collect all costs, charges and expenses incurred up to the time of redemption; in case of foreclosure sale, the holder shall be entitled to retain one percent (1%) of the purchase money in addition to the costs, charges and expenses allowed by law; and 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 repair enforcement of any other provision hereof;

(13) that wherever notice, demand or a request may properly be given to the Mortgagor under this Mortgage, the same shall always be sufficient to serve as a notice, demand or request hereunder if in writing and posted in the United States mail by registered or certified mail, addressed to the Mortgagor at the address given in this Mortgage as the Mortgagor's address or the business address of the Mortgagor last known to the holder hereof; and any such notice, demand or request shall be treated as having been given upon such deposit in the United States mails; and a notice so addressed shall always be a sufficient notice, notwithstanding a change in the ownership of the equity of redemption of the Property, whether or not consented to by the holder; and where more than one person constitutes the Mortgagor one notice sent to the address given in this Mortgage as the Mortgagor's address or the last known business address of any one of them shall constitute sufficient notice to all;

(14) the undertakings of the Mortgagor contained in Section C1. of this Mortgage with respect to items other than the payment of property taxes, sewer use fees, water rates, ground rents and assessments, shall survive the payment of all obligations secured hereby. However, after an acknowledgement of the satisfaction of the obligations secured hereby, or a discharge of this Mortgage, this Mortgage shall not be security for the performance of such undertakings, notwithstanding the survival of the same; but, thereafter, the holder shall look solely to the Mortgagor, and Debtor personally, for the performance of such undertakings;

(15) that the Debtor and Mortgagor shall faithfully observe and perform each and every obligation by it to be observed or performed in the Loan Documents; and that each and every warranty and representation made therein is accurate, true and complete;

(16) that the following are conditions of this Mortgage:

(a) the foregoing covenants shall not be breached;

(b) except for property taxes and assessments, until ten (10) days before any delinquency therein (delinquency, with reference to such taxes and assessments being hereby defined, for the purposes of this Mortgage, as meaning the time when, on the non-payment thereof, interest or penalties commence to accrue), the Mortgagor shall not create any encumbrance on the Property even if such encumbrance is inferior to this Mortgage;

(c) the Mortgagor shall not, except as provided herein, permit any encumbrance to exist against the Property, even if such encumbrance is inferior to this Mortgage. Without limitation, the filing of a notice of Federal or State tax lien with the holder or at the office at which, by law, such notice is to be filed to be effective against the Property, shall be a breach of this condition; and any period of grace in this Mortgage provided to the Mortgagor for a default in this Mortgage shall not be applicable to the filing of such a notice of Governmental lien or to any encumbrance created by the Mortgagor;

(d) neither the Mortgagor nor the Debtor shall voluntarily transfer or permit or suffer the transfer of the legal or equitable interest in the equity of redemption in the Property, or any part thereof, shall not permit the dissolution or termination of the Mortgagor or any change in the beneficial ownership therein;

(e) neither the Mortgagor nor the Debtor shall file a petition or any application for relief, extension, moratorium or reorganization under any bankruptcy, insolvency or debtor's relief law, or make an assignment for the benefit of creditors or enter into any trust mortgage arrangement, so-called, or consent to the appointment of a receiver of any of the property of the Mortgagor; and

(f) neither the Mortgagor nor the Debtor shall permit any petition under any bankruptcy, insolvency or debtor's relief law filed against it to remain undischarged for a period of more than thirty (30) days after the filing thereof, nor shall the Mortgagor permit the continuation of any receivership proceedings instituted against it for more than a period of thirty (30) days after the commencement thereof.

(18) that if there shall be any breach of the conditions of Section 17(c) in respect of the filing of a Governmental lien, or if there shall be any breach of the conditions of Section 17(d), (e) or (f), or the covenant in Section 5 of this Mortgage, or if any payment required under the Note or under this Mortgage shall not be made on or before the due date thereof, or, if, in any respect other than the filing of a Governmental lien, there shall be any breach of the condition of Section 17(c) continuing for more than twenty (20) days, or if there shall be any breach of the other conditions or covenants of this Mortgage which shall exist for more than twenty (20) days (except where a period of grace is specifically otherwise provided or negated, in which case, such specific periods of time or negation shall govern), the holder shall have the right to declare the entire indebtedness of the Debtor under the Note and Agreement forthwith due and payable.

(19) that if there shall be any breach or default in any condition or covenant of this Mortgage, the holder shall have the right, but without any obligation so to do, to cure such breach or default for the account of the Mortgagor and Debtor, and to the fullest extent permissible according to law, apply any funds credited by or due from the holder to the Mortgagor and Debtor against the same (without any obligation first to enforce any other rights of the holder, including, without limitation any rights under this Mortgage, the Note, the Agreement and Loan Documents or any guarantee thereof, and without prejudice to any such rights); without limiting the generality of the foregoing, the Mortgagor and Debtor hereby authorize the holder to pay all taxes, fees, water rates and assessments, with interest, costs and charges accrued thereon, which may at any time give rise to a lien upon the Property, the Unit 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; to pay any balance due under this or any other Loan Document on any articles, fixtures and equipment or contracts 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 the Mortgagor secured hereby; and, to the fullest extent permissible according to law, to apply to any of these purposes or to the repayment of any amounts so paid by the holder any sums paid on the Note or this Mortgage by the Mortgagor or Debtor as interest or otherwise; and

(20) that, at any creditors 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, the Mortgagor hereby waiving the application of any doctrine of marshalling; and, in case the holder, 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; and

(21) that the provisions of the Uniform Commercial Code as adopted in Massachusetts 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 sale, any notice required under such provisions shall be fully satisfied by the notice given in execution of the Statutory Power of Sale (referred to below) with respect to the Property or any part thereof; and

(a) The word "Mortgagor," as used herein, shall mean the person or persons named at the beginning of this instrument as the Mortgagor, and any subsequent owner or owners of the Personal Property. Where more than one person constitutes the Mortgagor, provisions in this Mortgage with reference to bankruptcy or insolvency or the like shall refer to each of the persons who is at that time one of the Mortgagor's, so that if, for example, but without limitation, any person who is one of the Mortgagor shall file a petition in bankruptcy, such filing shall be treated as a breach of condition of this Mortgage.

(b) The word "holder," as used herein, shall mean the Lender named at the beginning of this instrument, and any subsequent holder or holders of this Mortgage.

(22) All the covenants and agreements of the Mortgagor and Debtor herein contained shall be binding upon the Mortgagor and Debtor and the heirs, executors, administrators, successors and assigns of the Mortgagor or Debtor; and, where more than one person constitutes the Mortgagor or Debtor, the liability of such persons under this Mortgage for the obligations set forth herein shall be joint and several.

(23) This Mortgage is upon the condition that all covenants and agreements on the part of the Mortgagor herein undertaken shall be kept and fully and seasonably performed and that no breach of any other of the conditions specified herein shall be permitted, for any breach of which conditions, the holder shall have as to the personal property all the remedies of a Secured Party under the Uniform Commercial Code as now in effect in the Commonwealth of Massachusetts including the option to proceed as to both any real estate and personal property under the law relating to foreclosure of real estate mortgages, and such further remedies as from time to time may hereafter be provided in Massachusetts for a Secured Party, and upon the further condition that all rights of the Lender under this Mortgage as to the personal property may be exercised together or separately. In the event of any separate sale of Personal Property, the Mortgagee will give to the Mortgagor reasonable notice of the time and place of any public sale or of the time after which any private sale or other intended disposition

is to be made, and such requirement of reasonable notice shall be met if such notice is mailed postage pre-paid to the address of the Mortgagor as provided in this Mortgage at least five (5) days before the time of the sale or other disposition.

(24) The Debtor and the Mortgagor covenant and warrant that the Mortgagor is a party benefitted by the Lender's performance of the obligations set forth in the Caterer's Agreement and in the continued extension of credit represented by the Note, and that it grants this Mortgage for valuable consideration, direct or indirect, received by it as a result of the lease or other utilization of the Personal Property by the Debtor in the conduct of the Debtors business which might be interrupted or brought to a stand-still without the covenants and agreements set forth herein.

Executed as a sealed instrument this 8th day of December, 1995.

WITNESS TO SIGNATURE

MORTGAGOR/DEBTOR:
CAPE COD RAILROAD CORPORATION

Joan D. Troy
JOAN D. TROY, NOTARY PUBLIC

By George E. Barth

GB LEASING CORP.

Joan D. Troy
JOAN D. TROY, NOTARY PUBLIC

By George E. Barth

ATLANTIS CATERERS

Joan D. Troy
JOAN D. TROY, NOTARY PUBLIC

By Ray Glaser
Ray Glaser

Richard J. Davis
Richard J. Davis

By Richard J. Davis
Richard Davis

COMMONWEALTH OF MASSACHUSETTS

Barnstable ss.

December 8, 1995

Then personally appeared the above named George E. Bartholomew, the President of Cape Cod Railroad Corporation as aforesaid and acknowledged the foregoing

instrument to be the free act and deed of Cape Cod Railroad Corporation, before me,

John D. Troy
Notary Public: John D. Troy
My commission expires: _____

My commission expires Jan. 11, 2002

COMMONWEALTH OF MASSACHUSETTS

Barnstable ss.

December 8, 1995

Then personally appeared, the above named George E. Bartholomew, the President of G.B. Leasing Corp., as aforesaid and acknowledged the foregoing instrument to be the free act and deed of G.B. Leasing Corp., before me,

John P. Troy
Notary Public: JOHN P. TROY
My commission expires: _____

My commission expires Jan. 11, 2002

COMMONWEALTH OF MASSACHUSETTS

Barnstable ss.

December 8, 1995

Then personally appeared the above named Ray Glaser, the PARTNER of Atlantis Caterers as aforesaid and acknowledged the foregoing instrument to be the free act and deed of Atlantis Caterers, before me,

John P. Troy
Notary Public: JOHN P. TROY
My commission expires: My commission expires Jan. 11, 2002

COMMONWEALTH OF MASSACHUSETTS

Barnstable ss.

December 8, 1995 ^{(RB) RB.}

Then personally appeared the above named Richard Davis, the Richard Davis of Atlantis Caterers as aforesaid and acknowledged the foregoing instrument to be the free act and deed of Atlantis Caterers, before me,

Deborah R. Winsor
Notary Public: Deborah R. Winsor
My commission expires: 6/3/99