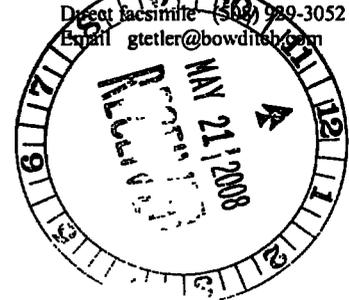


MAY 22 '08

10-25 AM

SURFACE TRANSPORTATION BOARD

GEORGE W. TETLER III
Direct telephone (508) 926-3437
Direct facsimile (508) 929-3052
Email gwtetler@bowditch.com



May 15, 2008

Anne K. Quinlan, Esquire, Secretary
Surface Transportation Board
395 E Street S.W.
Washington, DC 20423
Attention: Recordation

**Re: *Massachusetts Central Railroad Corporation - security interest
granted to Barre Savings Bank***

Dear Secretary Quinlan:

I have enclosed an **original** and one counterpart of the document described below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code.

This document is a security agreement, a primary document, dated as of March 31, 2008. The names and addresses of the parties to the documents are as follows:

Debtor: MASSACHUSETTS CENTRAL RAILROAD CORPORATION
Two Wilbraham Street
Palmer, Massachusetts 01069

Secured Party: BARRE SAVINGS BANK
56 Common Street
Barre, Massachusetts 01005

A description of the equipment covered by the document follows.

"All railroad cars, locomotives and other railroad rolling stock owned by the Debtor and any and all equipment, accessions, fixtures, refrigeration units, components, apparatus, parts now existing or hereafter attached to or in any manner related thereto, all accessions thereto, replacements and substitutions therefor, and proceeds (including, but without limitation, insurance proceeds) thereof, including but not limited to the following railroad cars, locomotives and railroad rolling stock:

3 Locomotives: MCER 960
MCER 1729
MCER 2100

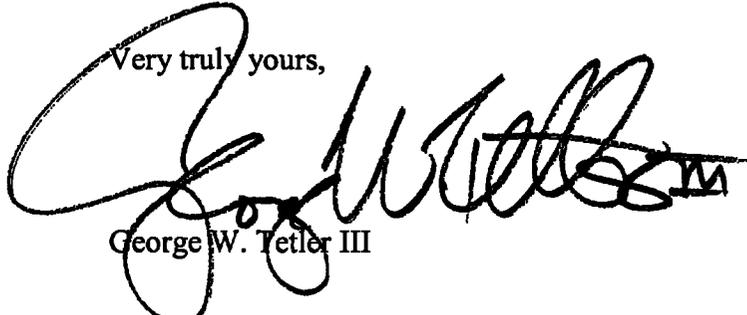
2 Box Cars: MCER 6730
 MCER 6727”

A recording fee of \$35.00 is enclosed. Please return the original and the counterpart, if it is not needed by the Board for recordation, to George W. Tetler III, Esquire, Bowditch & Dewey, LLP, P.O. Box 15156, Worcester, Massachusetts 01615-0156.

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

“A Railroad Car Security Agreement dated as of March 31, 2008, by and between Massachusetts Central Railroad Corporation as the Debtor and Barre Savings Bank as the Secured Party, granting a first priority security interest to the Secured Party in all railroad cars, locomotives and other railroad rolling stock owned by the Debtor and any and all equipment, accessions, fixtures, refrigeration units, components, apparatus, parts now existing or hereafter attached to or in any manner related thereto, all accessions thereto, replacements and substitutions therefor, and proceeds (including, but without limitation, insurance proceeds) thereof, including but not limited to the following: three (3) Locomotives, numbered MCER 960, MCER 1729, and MCER 2100; and two (2) Box Cars numbered MCER 6730 and MCER 6727.”

Very truly yours,



George W. Tetler III

GWT/tp
Enclosures

RAILROAD CAR SECURITY AGREEMENT

SURFACE TRANSPORTATION BOARD

This Railroad Car Security Agreement (this "Agreement") dated as of March 31, 2008 is by and between **MASSACHUSETTS CENTRAL RAILROAD CORPORATION**, a Massachusetts corporation with its principal place of business at Two Wilbraham Street, Palmer, Massachusetts 01069 ("Debtor"), and **BARRE SAVINGS BANK**, a Massachusetts savings bank with an office at 56 Common Street, Barre, Massachusetts 01005 ("Secured Party").

WHEREAS, Debtor and Secured Party entered into a Loan and Security Agreement of even date herewith (the "Loan Agreement"); and

WHEREAS, in connection therewith, Debtor is executing and delivering to Secured Party a Promissory Note in the face amount of TWO MILLION EIGHT HUNDRED THOUSAND AND 00/100 DOLLARS (\$2,800,000.00) of even date herewith (the "Note"); and

WHEREAS, the parties have agreed that the Note shall be secured by certain assets of Debtor.

NOW THEREFORE, in consideration of the promises and the mutual covenants and agreements hereinafter stated, the parties agree as follows:

1. Grant. In consideration of Secured Party furnishing financial accommodations to Debtor and to secure payment of all obligations and liabilities of Debtor to Secured Party (including without limitation all debts, claims and indebtedness) whether primary, secondary, direct, contingent, fixed or otherwise, heretofore, now or from time to time hereafter owing, due or payable, however evidenced, created, incurred, acquired or owing and however arising, or by oral agreement or operation of law or otherwise (the "Obligations"), Debtor grants to Secured Party a continuing security interest in the following assets of Debtor (the "Collateral"):

Railroad cars, locomotives and other railroad rolling stock and any and all equipment, accessions, fixtures, refrigeration units, components, apparatus, parts now existing or hereafter attached to or in any manner related thereto, all accessions thereto, replacements and substitutions therefor, and proceeds (including, but without limitation, insurance proceeds) thereof, including but not limited to those railroad cars, locomotives and railroad rolling stock more specifically listed on Exhibit A attached hereto and incorporated herein by reference.

2. Warranties and Covenants of Debtor. Debtor warrants and covenants that:

a. Debtor will not, without the prior written consent of Secured Party pledge, mortgage, or create, or suffer to exist, any security interest in any portion of the Collateral in favor of any person other than Secured Party and LaChance Financial Services, Inc. Debtor will defend the Collateral against the claims and demands of all persons claiming an interest in the Collateral not authorized hereunder.

b. Debtor will immediately notify Secured Party in writing of any change in location of Debtor's business, shall at all reasonable times and from time to time allow Secured Party, by or through any of its attorneys or accountants, to inspect the Collateral and to examine, inspect or make extracts from Debtor's books, accounts, orders, correspondence and other

records, and shall do, make, execute, and deliver all such additional and further things, deeds, assurances and instruments (including, without limitation, Uniform Commercial Code and Surface Transportation Board filings and other evidence of the security interest conveyed hereby) as Secured Party may reasonably require more completely to vest in and assure to Secured Party its rights hereunder or in any of the Collateral.

c. Debtor will maintain general liability insurance, and shall keep the Collateral at all times insured, in all cases in amounts at least equal to its full insurable value as customarily undertaken by companies engaged in businesses similar to Debtor and in any event and without specific request by Secured Party, will insure said Collateral against fire, including so-called extended coverage, theft, and collision, with loss thereon to be payable to Secured Party and Debtor as their respective interests may appear, all at Debtor's own cost. All such policies shall provide that they may not be modified or cancelled without first giving at least thirty (30) days written notice of such modification or cancellation to Secured Party. In the event that Debtor fails to provide evidence of the maintenance of such insurance reasonably satisfactory to Secured Party, Secured Party may, at Secured Party's option, secure such insurance and charge the direct cost thereof to Debtor.

d. Debtor will keep the Collateral in good order and repair, and will not use the same in material violation of law or any policy of insurance thereon, all at its own cost. Secured Party and its attorneys and accountants may inspect the Collateral at any reasonable time, wherever located. Debtor will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation.

e. Secured Party may, at its option, pay taxes, discharge unauthorized encumbrances and pay for claims, insurance, repairs, and maintenance upon or with respect to the Collateral and any sums so paid by Secured Party or for which it may become obligated shall constitute a liability hereunder which shall be counted among the Obligations and which Debtor will repay to Secured Party upon demand.

3. Additional Rights of Parties. At its option, Secured Party may discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral, may place and pay for insurance on the Collateral upon failure by the Debtor, after having been requested to do so, to provide insurance satisfactory to the Secured Party, and may pay for the maintenance, repair, and preservation of the Collateral. To the extent permitted by applicable law, Debtor agrees to reimburse Secured Party on demand for any payment made, or any expense incurred by Secured Party pursuant to the foregoing authorization. Until default Debtor may have possession of the Collateral and use it in any lawful manner not inconsistent with this agreement and not inconsistent with any policy of insurance thereon.

4. Events of Default. The occurrence of an Event of Default under the Loan Agreement or the Note shall constitute an Event of Default hereunder. In addition, Debtor shall be in default under this agreement upon the occurrence of any of the following events or conditions, namely: (a) default in the payment or performance of any of the Obligations or of any covenants or liabilities contained or referred to herein or in any of the Obligations; (b) any warranty, representation or statement made or furnished to Secured Party by or on behalf of Debtor proving to have been false in any material respect when made or furnished; (c) loss, theft, substantial damage,

destruction, sale or encumbrance to or any of the Collateral, or the making of any levy, seizure or attachment thereof or thereon; (d) dissolution, termination of existence, filing by Debtor or by any third party against Debtor of any petition under any Federal bankruptcy statute, insolvency, business failure, appointment of a receiver of any part of the property of, or assignment for the benefit of creditors by, Debtor; or (e) the occurrence of an event of default in any agreement between Debtor and Secured Party.

5. Remedies. UPON DEFAULT AND AT ANY TIME THEREAFTER, SECURED PARTY MAY DECLARE ALL OBLIGATIONS SECURED HEREBY IMMEDIATELY DUE AND PAYABLE AND SHALL HAVE THE REMEDIES OF A SECURED PARTY UNDER THE UNIFORM COMMERCIAL CODE OF THE COMMONWEALTH OF MASSACHUSETTS (the "Code"), including without limitation the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose may, so far as Debtor can give authority therefor, with or without judicial process, enter upon any premises on which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to the conditions stated in the Code); and the Secured Party shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral subject to Debtor's right of redemption in satisfaction of the Debtor's Obligations as provided in the Code. Secured Party without removal may render the Collateral unusable and dispose of the Collateral on the Debtor's premises. Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party for possession at a place to be designated by Secured Party. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will give Debtor at least five (5) days' notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Debtor shown at the beginning of this agreement at least five (5) days before the time of the sale or disposition. Secured Party may buy the Collateral at any public sale. The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale or lease, selling, leasing and the like and the reasonable attorneys' fees and legal expenses incurred by Secured Party, shall be applied in satisfaction of the Obligations secured hereby. The Secured Party will account to the Debtor for any surplus realized on such disposition and the Debtor shall remain liable for any deficiency.

The remedies of the Secured Party hereunder are cumulative and the exercise of any one or more of the remedies provided for herein or under the Code shall not be construed as a waiver of any of the other remedies of the Secured Party so long as all or any part of the Debtor's Obligations remain unsatisfied.

6. Miscellaneous.

a. Debtor waives demand, notice, protest, notice of collateral received or delivered, notice of default or other action taken in reliance hereon and all other demands and notices of any description. With respect both to the Obligations and the Collateral, Debtor assents to any extension or postponement of the time of payment or any other indulgence, and to the addition or release of any party or person primarily or secondarily liable, all in such manner

and at such time or times as Secured Party may deem advisable. Secured Party shall have no duty as to the collection or protection of the Collateral, or any income therefrom, nor as to the preservation of any rights pertaining thereto. Secured Party may exercise its rights with respect to the Collateral without resorting to or regard to other collateral or sources of reimbursement for liability. Secured Party shall not be deemed to have waived any of its rights upon or under the Obligations or Collateral, unless such waiver be in writing and signed by Secured Party. No delay or omission on the part of Secured Party in exercising any right shall operate as a waiver of such right or any other right. Except as otherwise provided herein, a waiver on any one occasion shall not be construed as a waiver of any right on any future occasion. All rights and remedies of Secured Party on the Obligations and Collateral, whether evidenced herein or by any other instrument or papers, shall be cumulative and may be exercised separately or concurrently. This Agreement may be assigned by Debtor only in connection with transfers of the Collateral consented to by Secured Party in writing, in its sole discretion. This Agreement may be assigned by the Secured Party only in conjunction with an assignment of the Note in accordance with the terms thereof. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, heirs, successors and assigns.

b. All rights of the Secured Party in, to and under this Agreement and in and to the Collateral shall pass to and may be exercised by any assignee thereof. The Debtor agrees that if the Secured Party gives notice to the Debtor of an assignment of said rights, upon such notice the liability of the Debtor to the assignee shall be immediate and absolute. The Debtor will not set up any claim against the Secured Party as a defense, counterclaim or set off to any action brought by any such assignee for the unpaid balance owed hereunder or for the possession of the Collateral, provided that Debtor shall not waive hereby any right of action to the extent that waiver thereof is expressly made unenforceable under applicable law.

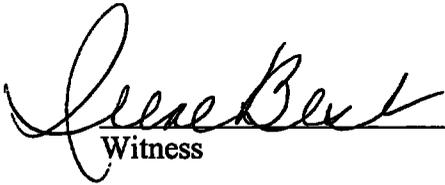
c. If any provision of this agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

d. Debtor (and the undersigned representative of Debtor) represents that Debtor has full power, authority and legal right to execute and deliver this Agreement and the Obligations and that this Agreement and the Obligations constitute valid and binding obligations of Debtor. This Agreement and all rights and obligations hereunder, including matters of construction, validity, and performance, shall be governed by the laws of The Commonwealth of Massachusetts. This Agreement may be executed in counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

e. DEBTOR KNOWINGLY AND VOLUNTARILY WAIVES ITS RIGHTS TO A TRIAL BY JURY WITH RESPECT TO ANY SUIT, ACTION OR PROCEEDING (WHETHER BY CLAIM OR COUNTERCLAIM) BROUGHT OR INSTITUTED BY EITHER PARTY TO THIS AGREEMENT OR ANY OF THEIR SUCCESSORS AND ASSIGNS, WHICH RELATES DIRECTLY OR INDIRECTLY TO THE NOTE, THIS AGREEMENT, ANY OTHER LOAN DOCUMENTS EXECUTED IN CONNECTION WITH THE NOTE OR THIS AGREEMENT, OR THE RELATIONSHIP BETWEEN SECURED PARTY AND DEBTOR.

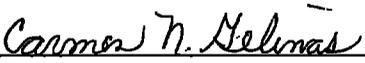
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives under seal as of the day and year first above written.

MASSACHUSETTS CENTRAL RAILROAD CORPORATION


Witness

By: 
Name: John J. Pondelli, Jr.
Title: President and Treasurer

BARRE SAVINGS BANK


Witness

By: 
Name: Roger F. Allard
Title: Senior Vice President

THE COMMONWEALTH OF MASSACHUSETTS

Worcester, ss.

On this 31st day of March 2008, before me, the undersigned notary public, personally appeared John J. Pondelli, Jr., President and Treasurer of Massachusetts Central Railroad Corporation, proved to me through satisfactory evidence of identification, which was photographic identification with signature issued by a federal or state governmental agency, oath or affirmation of a credible witness, personal knowledge of the undersigned, to be the person whose name is signed on the preceding or attached document(s), and acknowledged to me that he signed it voluntarily for its stated purpose as President and Treasurer of Massachusetts Central Railroad Corporation.


Christine A. Peat Notary Public
My commission expires: August 15, 2008

(official seal)

THE COMMONWEALTH OF MASSACHUSETTS

Worcester, ss.

On this 31st day of March 2008, before me, the undersigned notary public, personally appeared Roger F. Allard, Senior Vice President of Barre Savings Bank, proved to me through satisfactory evidence of identification, which was photographic identification with signature issued by a federal or state governmental agency, oath or affirmation of a credible witness, personal knowledge of the undersigned, to be the person whose name is signed on the preceding or attached document(s), and acknowledged to me that he signed it voluntarily for its stated purpose as Senior Vice President of Barre Savings Bank.

(official seal)

Carmen N. Gelinas

Notary Public

My commission expires:

