

NOV 6 1978 11 20 P.M.

INTERSTATE COMMERCE COMMISSION

BILL OF SALE

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO (VENDOR), in consideration of the sum of SEVEN HUNDRED TWENTY-SIX THOUSAND, EIGHT HUNDRED FORTY-ONE AND 64/100 (\$726,841.64) DOLLARS, to it paid, the receipt of which is hereby acknowledged, does hereby grant, bargain, sell, transfer, convey and set over unto DELAWARE AND HUDSON RAILWAY COMPANY (VENDEE), its successors and assigns, without any representation or warranty of any kind, express or implied, all right, title and interest of the VENDOR in and to the railroad equipment (the "Equipment") described in Schedule A annexed hereto and made a part hereof, which Equipment has been delivered by the VENDOR to the VENDEE.

To have and to hold, all and singular, the Equipment to the said VENDEE, its successors and assigns, for its and their own use and behoof forever.

This Bill of Sale is executed by the VENDOR and delivered to the VENDEE in full satisfaction of the VENDOR'S obligations under Section 9 of the Lease Agreement dated as of April 15, 1975 between the VENDOR as Lessor and the VENDEE as Lessee.

IN WITNESS WHEREOF, the VENDOR has caused this instrument to be duly executed as of the 19th day of October, 1978.

CONTINENTAL ILLINOIS NATIONAL  
BANK AND TRUST COMPANY OF  
CHICAGO

By

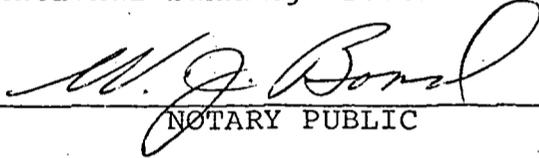
*Robert W. Murray*  
Vice President

ATTEST:

*M. A. Atterburge*  
BANKING OFFICER

STATE OF ILLINOIS     )  
                                  )  
COUNTY OF COOK        )     ss.:

On this 19th day of October, 1978, before me personally appeared PETER D. HORNE, to me personally known, who, being by me duly sworn, says that he is the VICE PRESIDENT of CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, that the seal affixed to the foregoing instrument is the corporate seal of said national banking association, that said instrument was signed and sealed on behalf of said national banking association 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 national banking association.

  
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NOTARY PUBLIC

(Notarial Seal)

My Commission expires

MY COMMISSION EXPIRES FEBRUARY 4, 1981

SCHEDULE A

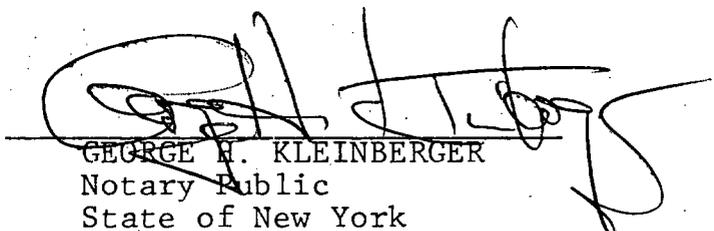
DESCRIPTION OF EQUIPMENT

Nine (9) Alco Products Class DL-628 diesel electric locomotives bearing D&H Road Nos. 601-609 inclusive.

CERTIFICATION

I, GEORGE H. KLEINBERGER, do hereby state that I am a Notary Public of the State of New York; that I have compared the attached copy of document with the original thereof, and that the attached copy of document is a true and correct copy of the original in all respects.

Dated: October 21, 1978.



~~GEORGE H. KLEINBERGER~~  
Notary Public  
State of New York

GEORGE H. KLEINBERGER  
Notary Public - State of New York  
Qualified in Schenectady County  
Reg. No. 2144350  
Commission Expires March 30, 1979