

DELAWARE OTSEGO CORPORATION

1 Railroad Ave.  
Cooperstown, New York 13326  
Ph. 607 547-2555

14129  
3/31/88  
13.00  
100 Washington, D. C.

March 17, 1988

RECORDATION NO. 14129-c  
Filed 1988

MAR 21 1988-3 30 PM

INTERSTATE COMMERCE COMMISSION

Secretary  
Interstate Commerce Commission  
12th & Constitution Ave. NW  
Washington, DC 20423

RE: Documents for Recordation

Dear Secretary:

Enclosed are an original and a fully executed and acknowledged counterpart of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Release of Collateral and Amendment to Chattel Mortgage, a secondary document dated March 10, 1988. The primary document to which this is connected is recorded under Recordation No. 14129. The names and addresses of the parties to the documents are as follows:

Mortgagor: Delaware Otsego Corporation;  
Delaware Otsego Equipment Corporation;  
The New York, Susquehanna and Western  
Railway Corporation;  
Cooperstown and Charlotte Valley Railway  
Corporation; and  
Rahway Valley Company, Lessee  
all at: 1 Railroad Avenue  
Cooperstown, New York 13326  
Mortgagee: New York Business Development Corporation  
41 State Street  
Albany, New York 12207

A description of the equipment covered by the document follows:

Equipment Released:

Two railroad passenger cars, namely NYSW #507 (1948 Budd Buffet car; former Autotrain #594) and NYSW #508 (48 seat dining car; former CACV #13)

Equipment substituted as collateral:

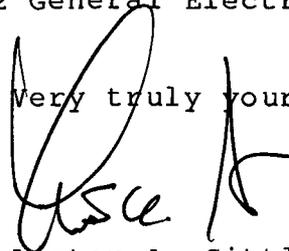
1. General Electric 70 ton diesel electric locomotive with serial number 30838, bearing road number Rahway Valley RR 16
2. General Electric 70 ton diesel electric locomotive with serial number 32130, bearing road number Rahway Valley RR 17

A fee of \$10.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to the below signed.

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

Release of Collateral and Amendment to Chattel Mortgage between Delaware Otsego Corporation, Delaware Otsego Equipment Corporation, The New York, Susquehanna and Western Railway Corporation, Cooperstown and Charlotte Valley Railway Corporation, and Rahway Valley Company, Lessee, 1 Railroad Avenue, Cooperstown, New York 13326, Mortgagors, and New York Business Development Corporation, 41 State Street, Albany, New York 12207, Mortgagee, dated March 10, 1988 covering 3 railroad cars and 2 General Electric 70 ton locomotives.

Very truly yours,



Lester A. Sittler  
General Counsel

LAS:ksp  
Enc.

**Interstate Commerce Commission**  
Washington, D.C. 20423

3/

OFFICE OF THE SECRETARY

4/1/88

Lester A. Sittler  
General Counsel  
Delaware Otsego Corporation  
1 Railroad Avenue  
Coopertown, New York 13326

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 3/21/88 at 3:30pm, and assigned recordation number(s). 14129-C

Sincerely yours,

*Narta L. McEa*

Secretary

Enclosure(s)

*I think you owe me \$3 if you paid  
Already please disregard this notice, but  
I don't remember receiving it & I am  
Wrong please forgive me.*

*Robert R. Se  
Egan*

RELEASE AND SUBSTITUTION OF COLLATERAL AND  
AMENDMENT TO CHATTEL MORTGAGE

RECORDATION NO. 14129-C MAR 21 1988

by and between

MAR 21 1988-3 22 PM

DELAWARE OTSEGO CORPORATION, **INTERSTATE COMMERCE COMMISSION**  
DELAWARE OTSEGO EQUIPMENT CORPORATION,  
THE NEW YORK, SUSQUEHANNA AND WESTERN RAILWAY CORPORATION,  
COOPERSTOWN AND CHARLOTTE VALLEY RAILWAY CORPORATION,  
RAHWAY VALLEY COMPANY, LESSEE

and the

NEW YORK BUSINESS DEVELOPMENT CORPORATION

Dated: March 10, 1988

Record and return to: Lester A. Sittler, General Counsel  
Delaware Otsego Corporation  
1 Railroad Avenue  
Cooperstown, New York 13326

Prepared by: Lester A. Sittler, Esq.

Telephone no.: (607) 547-2555

THIS AGREEMENT made the 10th day of March, 1988, between DELAWARE OTSEGO CORPORATION; DELAWARE OTSEGO EQUIPMENT CORP.; THE NEW YORK, SUSQUEHANNA AND WESTERN RAILWAY CORPORATION and COOPERSTOWN AND CHARLOTTE VALLEY RAILWAY CORPORATION -- all having a place of business at 1 Railroad Avenue, Cooperstown, New York (all herein jointly and severally called the "Mortgagor"); RAHWAY VALLEY COMPANY, LESSEE, a New Jersey railroad corporation, having a place of business at 1 Railroad Avenue, Cooperstown, New York (herein called the "Railroad"); and the NEW YORK BUSINESS DEVELOPMENT CORPORATION, a corporation organized under Article V-A of the New York Banking Law, having its principal place of business at 41 State Street, City and County of Albany, New York (herein called the "Mortgagee").

W I T N E S S E T H :

WHEREAS, the Mortgagee is the holder of a Note dated August 16, 1983, in the face amount of \$562,000.00 executed by the Mortgagor in favor of the Mortgagee, which sum was disbursed pursuant to the terms of a Loan and Security Agreement (herein "Loan Agreement") dated August 16, 1983 between Mortgagor and Mortgagee; and

WHEREAS, the Mortgagee is also the holder of a Chattel Mortgage dated August 16, 1983, which, as security for the payment of the aforesaid Note grants to the Mortgagee a security interest, in and to those railroad cars and engines more particularly described at Schedule A attached thereto, including the following:

1. Two railroad passenger cars, namely NYS&W #507 (1948

Budd Buffet car; former Autotrain #594) and NYS&W #508 (48 seat dining car; former CACV #13);

and

WHEREAS, the Mortgagor has requested that Mortgagee release its lien on the aforesaid railroad cars bearing NYS&W road numbers 507 and 508; and

WHEREAS, the Mortgagee by agreement dated even date herewith, has consented to the release of the aforesaid railroad cars upon the substitution of certain collateral hereinafter described; and

WHEREAS, the Mortgagor has caused Railroad to grant Mortgagee a first security interest in certain railroad locomotives hereinafter described; and

WHEREAS, the Mortgagor, the Railroad, and the Mortgagee desire to amend the aforesaid Chattel Mortgage so as to release the aforementioned railroad cars from the lien in favor of the Mortgagee and to substitute the aforementioned railroad locomotives as collateral subject to the lien in favor of the Mortgagee.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements, the receipt of which is hereby acknowledged, the Mortgagor, the Railroad, and the Mortgagee mutually covenant and agree as follows:

A. Mortgagee hereby releases railroad passenger car NYS&W #507 (1948 Budd Buffet car; former Autotrain #594) and railroad passenger car NYS&W #508 (48 seat dining car; former CACV #13) as collateral security for repayment of the aforesaid Note.

B. Railroad grants and Mortgagee accepts a first security interest in the following railroad locomotives, including the proceeds thereof:

- 1) General Electric 70 ton diesel electric locomotive with serial number 30838, bearing road number Rahway Valley RR 16
- 2) General Electric 70 ton diesel electric locomotive with serial number 32130, bearing road number Rahway Valley RR 17

Railroad agrees that said railroad locomotives shall be subject to all the terms and conditions of the Chattel Mortgage dated August 16, 1983 and Railroad further agrees that the Mortgagee shall have all the remedies therein described concerning said railroad locomotives.

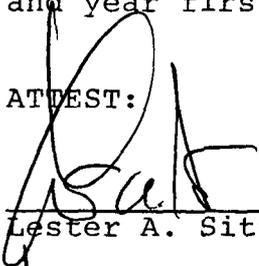
Mortgagor and Railroad jointly and severally warrant, stipulate and agree that they will take all actions necessary to perfect Mortgagee's first security interest in the above two General Electric 70 ton diesel electric locomotives by filing this Agreement with the Interstate Commerce Commission pursuant to 49 USC Section 11303 within ten (10) days of the date hereof, and will return to the Mortgagee written acknowledgement of said filing within sixty (60) days of the date hereof. Failure on the part of the Mortgagor and/or the Railroad to properly perfect Mortgagee's first security interest in the above two General Electric 70 ton diesel electric locomotives or to provide written notification of said perfection as herein provided will entitle the Mortgagee, at its option, to declare the Mortgagor in default under the Chattel Mortgage dated August 16, 1983 and the Loan Agreement dated August 16, 1983 and the whole of the indebtedness and interest due the Mortgagee by the Mortgagor will be immediately due and payable.

C. The Mortgagor and the Railroad warrant that Delaware Otsego Corporation is the parent corporation of the Railroad; and said Mortgagor and said Railroad all hereby jointly and severally warrant to the Mortgagee that this Agreement is for the mutual benefit of all the Mortgagors and the Railroad, and that the Mortgagors' and the Railroad's entering into this Agreement is in furtherance of the corporate business of all the Mortgagors and the Railroad.

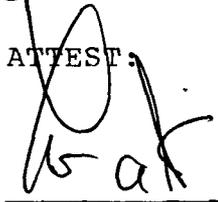
D. Except as specifically modified above and except as further modified pursuant to a Modification of Loan and Security Agreement executed simultaneously herewith, the provisions of the Note, Chattel Mortgage, Loan and Security Agreement and all the documents executed in connection therewith will remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed by their duly authorized officers as of the day and year first above written.

ATTEST:

  
\_\_\_\_\_  
Lester A. Sittler, Secretary

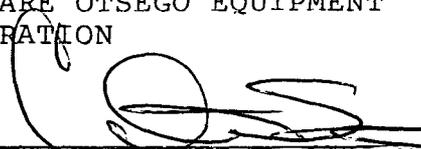
ATTEST:

  
\_\_\_\_\_  
Lester A. Sittler, Secretary

DELAWARE OTSEGO CORPORATION

By:   
\_\_\_\_\_  
C. David Soule, Executive Vice President

DELAWARE OTSEGO EQUIPMENT CORPORATION

By:   
\_\_\_\_\_  
C. David Soule, Executive Vice President



