

Secretary
Interstate Commerce Commission
October 4, 1990
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Lackawaxen and Stourbridge Railroad Corporation
Fonfulco, Inc.
Delaware Otsego Equipment Corporation
The New York, Susquehanna and Western Railroad Corporation
Susquehanna Properties, Inc.
Delta Warehousing Corporation
Staten Island Railway Corporation
Rahway Valley Railroad Company
Rahway Valley Company, Lessee
Susquehanna Bulk Systems, Inc.
1 Railroad Avenue
Cooperstown, New York 13326

Chemical Bank *Lessor*
90 Presidential Plaza
Syracuse, New York 13202

A description of the equipment covered by the documents is as follows:

All machinery, apparatus, equipment, fittings, inventory and fixtures now owned or hereafter acquired, including all locomotives, railcars, railroad rolling stock and maintenance-of-way equipment.

A fee of \$210.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to Ronald A. Mittleman, Esq., Lacy Katzen, Ryen & Mittleman, The Granite Building, 130 East Main Street, 2nd Floor, Rochester, New York, 14604-1686.

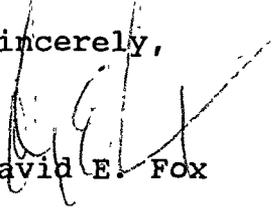
A short summary of the documents to appear in the index follows:

1. New York IDA Mortgage;
2. New York Non-IDA Mortgage;
3. New York Class 2 Mortgage (Otsego IDA);
4. New York Class 2 Mortgage;
5. New Jersey Class 2 Mortgage;
6. New Jersey Property Mortgage;
7. Collateral Assignment of Leases and Rents (NY);
8. Collateral Assignment of Leases and Rents (NJ-Delaware Otsego);
9. Collateral Assignment of Leases and Rents (NJ-Corporate Guarantors);

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10. Pledge and Security Agreement (Accounts);
11. Pledge and Security Agreement (All);
12. Assignment of Proceeds (Little Ferry);
13. Assignment of Proceeds, Agreements and Contracts; and
14. Pledge and Assignment.

Sincerely,



David E. Fox

DEF:trc

Enclosure(s)

trc\d:\wp\letters\delaware.ltr

17053 *ed*
RECORDATION NO. _____ FILED 1425

OCT 5 1989 10 50 AM

INTERSTATE COMMERCE COMMISSION

DELAWARE OTSEGO CORPORATION,
COOPERSTOWN AND CHARLOTTE VALLEY RAILWAY CORPORATION,
CENTRAL NEW YORK RAILROAD CORPORATION,
FONDA, JOHNSTOWN AND GLOVERSVILLE RAILROAD COMPANY,
FONFULCO, INC.,
LACKAWAXEN AND STOURBRIDGE RAILROAD CORPORATION,
DELAWARE OTSEGO EQUIPMENT CORPORATION,
THE NEW YORK, SUSQUEHANNA AND WESTERN RAILWAY CORPORATION,
SUSQUEHANNA PROPERTIES, INC.,
SUSQUEHANNA BULK SYSTEMS, INC.,
STATEN ISLAND RAILWAY CORPORATION, *14*
DELTA WAREHOUSING CORPORATION,
RAHWAY VALLEY RAILROAD COMPANY, and
RAHWAY VALLEY COMPANY, LESSEE,

AND

CHEMICAL BANK

PLEDGE AND SECURITY AGREEMENT

Dated as of September 27, 1990

PLEDGE AND SECURITY AGREEMENT

THIS PLEDGE AND SECURITY AGREEMENT dated as of the 27th day of September, 1990 is by and between CHEMICAL BANK, a New York banking corporation having an office at 90 Presidential Plaza, Syracuse, New York 13202 (the "Bank"), and DELAWARE OTSEGO CORPORATION, a New York corporation (the "Borrower") and COOPERSTOWN AND CHARLOTTE VALLEY RAILWAY CORPORATION, a New York corporation ("Cooperstown"), CENTRAL NEW YORK RAILROAD CORPORATION, a New York corporation ("Central"), FONDA, JOHNSTOWN AND GLOVERSVILLE RAILROAD COMPANY, a New York corporation ("Fonda"), FONFULCO, INC., a New York corporation ("Fonfulco"), LACKAWAXEN AND STOURBRIDGE RAILROAD CORPORATION, a Pennsylvania corporation ("Lackawaxen"), DELAWARE OTSEGO EQUIPMENT CORPORATION, a New York corporation ("Delaware"), THE NEW YORK, SUSQUEHANNA AND WESTERN RAILWAY CORPORATION, a New Jersey corporation ("New York"), SUSQUEHANNA PROPERTIES, INC., a New York corporation ("Susquehanna"), SUSQUEHANNA BULK SYSTEMS, INC., a New Jersey corporation ("Bulk"), STATEN ISLAND RAILWAY CORPORATION, a New York corporation ("Staten"), DELTA WAREHOUSING CORPORATION, a New Jersey corporation ("Delta"), RAHWAY VALLEY RAILROAD COMPANY, a New Jersey corporation ("Rahway") and RAHWAY VALLEY COMPANY, LESSEE, a New Jersey corporation ("Valley") (Cooperstown, Central, Fonda, Fonfulco, Lackawaxen, Delaware, New York, Susquehanna, Bulk, Staten, Delta, Rahway and Valley collectively referred to herein as the "Corporate Guarantors"); the Corporate Guarantors and the Borrower all having their offices and principal places of business at 1 Railroad Avenue, Cooperstown, New York 13326

WHEREAS, the Borrower proposes to enter various loans as set forth in a loan agreement, dated on even date herewith (the "Loan Agreement") between the Bank and the Borrower evidenced by a certain 8-year term note in the principal amount of \$6,000,000 (the "\$6,000,000 Term Note"), a certain 8-year term note in the principal amount of \$3,000,000 (the "\$3,000,000 Term Note"), and a certain 3-year revolving note dated the date hereof (the "Revolving Credit Note") in the principal amount of \$2,000,000 convertible in accordance to the Loan Agreement to a 4-year term note in the principal amount of up to \$2,000,000 (the "Revolving Credit Term Note") (the \$6,000,000 Term Note, the \$3,000,000 Term Note, the Revolving Credit Note and the Revolving Credit Term Note hereinafter collectively referred to as the "Notes"), all dated the date hereof given by the Borrower to the Bank;

WHEREAS, it is a condition precedent to the effectiveness of the Loan that, among other things, the Borrower and the Corporate Guarantors shall have executed and delivered this Agreement as security therefor;

NOW, THEREFORE, in order to induce the Bank to enter into the Loan, the Borrower and the Corporate Guarantors hereby agree with the Bank as follows:

1. Definitions. The words and terms as used in this Pledge and Security Agreement shall have the meanings set forth in the Notes or the Loan Agreement, unless the context or use indicates another or different meaning or intent or unless it is defined otherwise in paragraph 22.

2. Pledge. As collateral security for the prompt, complete and unconditional payment and performance of all of the obligations and liabilities of the Borrower and the Corporate Guarantors now or in the future existing under or in connection with the Notes, the Loan Agreement, any other mortgages, agreements or documents entered into in connection with the Notes or the Loan Agreement (the "Other Agreements"), the guaranty dated the date hereof (the "Guaranty") from the Corporate Guarantors to the Bank or this Agreement (as any of the foregoing agreements may from time to time be respectively amended, modified, substituted, extended or renewed) (all of the obligations and liabilities referred to above being collectively called the "Obligations"), the Borrower and the Corporate Guarantors hereby pledge, assign, transfer and deliver to the Bank and grant to the Bank a continuing lien on and a first (except as otherwise permitted in the Loan Agreement) priority security interest in:

(a) all accounts now owned or hereafter acquired, whether billed or unbilled together with Borrower's right, title and interest in and to all choses in action, negotiable instruments, chattel paper and records related thereto;

(b) all accounts receivable now owned or hereafter acquired, whether billed or unbilled, relating to any sales of the Borrower together with Borrower's right, title and interest in and to all choses in action and negotiable instruments related thereto, the account receivables in this subparagraph (b) are to be in addition to, and not a limitation of, the accounts described in subparagraph (a) above;

(c) in regard to the foregoing (a) through (b), to further include all increases, improvements, additions and accessions thereto, replacements thereof and substitutions therefor, together with all cash and non-cash proceeds, to include insurance proceeds thereon, if any.

(The foregoing (a) through (c) may hereinafter be referred to as the "Collateral".)

3. Representations, Warranties and Covenants of the Borrower and Corporate Guarantors. The Borrower and the Corporate Guarantors warrant, represent, covenant and agree as follows:

(a) Authority. That the Borrower and the Corporate Guarantors have the full power and authority to assign, pledge,

deliver, grant and convey to the Bank a security interest in the Collateral;

(b) Defend Title. That the Collateral is and shall remain free and clear of all liens, except as permitted by the Loan Agreement, security interests, setoffs, charges, assignments, claims, taxes, assessments and encumbrances of every kind, nature and description, except those granted and imposed by this Agreement and shall defend the title to the Collateral against all persons and against all claims and demands whatsoever;

(c) Possession. That the Borrower and the Corporate Guarantors are and shall remain the sole and lawful owners of the Collateral and shall retain possession of the Collateral during the existence of this Agreement unless the same is in the possession of the Bank, and that the Borrower and the Corporate Guarantors shall not relocate, sell, exchange, encumber, assign, loan, convey, deliver, lease, transfer, mortgage or otherwise dispose of same except in the ordinary course of business without the prior written consent of the Bank;

(d) No Restrictions. That there are no restrictions upon the transfer of the Collateral other than as set forth on the face of any stock certificates;

(e) Taxes. To pay, when due, all taxes, assessments and license fees relating to the Collateral except that the Borrower and the Corporate Guarantors may contest such taxes or assessments in accordance with the Loan Agreement;

(f) Repairs. To keep the Collateral, at Borrower's and/or the Corporate Guarantors' own cost and expense, in good condition and not to misuse, abuse, waste or allow the Collateral to deteriorate;

(g) Inspection. To permit the Bank through any of its officers or agents, at all reasonable times, to examine or inspect any of the Collateral and to examine and photocopy the Borrower's and the Corporate Guarantors' books and records relating to the Collateral;

(h) Insurance. To keep the Collateral insured against loss by fire (including extended coverage), theft and other hazards as the Bank may require. Policies shall be in such form and amounts and with such companies as are customary for concerns in the same locations, business and of the same size as the Borrower and the Corporate Guarantors, respectively. Policies shall be obtained from responsible insurers authorized to do business in each respective

state where the Collateral is located. Certificates of insurance policies, payable to the Bank as loss payee, shall be deposited with the Bank, who is authorized, but under no duty, to obtain such insurance upon failure of the Borrower and the Corporate Guarantors, respectively, to do so. The Borrower and the Corporate Guarantors, respectively, shall give immediate written notice to the Bank and to the insurers of loss or damage to the Collateral and shall promptly file proofs of loss with insurers. The Borrower and the Corporate Guarantors, respectively, hereby assign to the Bank all sums which may become payable under such insurance, including return premiums and dividends, as additional security for the Obligations;

(i) Change of Address. To immediately notify the Bank in writing of any changes or discontinuance of the Borrower's or the Corporate Guarantors' place or places of business;

(j) Liens. To keep the Collateral free and clear of all liens, charges, encumbrances, taxes and assessments except as permitted under the Loan Agreement or this Agreement;

(k) Affixed to Realty. If any of the Collateral is attached to real estate prior to the perfection of the security interest granted hereby, the Borrower and the Corporate Guarantors will on demand of the Bank furnish the latter with a disclaimer or disclaimers, signed by all persons having an interest in the real estate, of any interest in the Collateral which is prior to the Bank's interest.

4. Financing Statements. The Bank is hereby authorized to file, register, record, or execute in the name of the Borrower and the Corporate Guarantors to the extent the Bank may lawfully do so, one or more financing statements, chattel mortgages or comparable security instruments and any amendments thereto or continuations thereof without the signature of the Borrower and the Corporate Guarantors to effectuate the purposes of this Agreement.

5. Events of Default. The following shall constitute "Events of Default" under this Agreement, and the term "Event of Default" or "Default" shall mean, whenever they are used in this Agreement, any one or more of the following events:

(a) The failure of the Borrower and/or the Corporate Guarantors to observe or perform any covenant, condition or agreement on its part to be observed or performed herein; or

(b) A breach of any obligation to be performed under, or a default or an event of default of any of the Notes, the Loan Agreement or the Other Agreements; or

(c) Any representation or warranty by or on behalf of the Borrower and/or the Corporate Guarantors herein is false or misleading in any respect.

6. Remedies. Upon the occurrence of an Event of Default, the Bank may take any one or more of the remedial steps provided for in any of the Notes, the Loan Agreement or the Other Agreements, and, in addition, shall have the power in its discretion and at its option to:

(a) Liquidate the Collateral, or any portion thereof, either immediately or as the Collateral or any portion matures by selling any securities or other investment forming the Collateral or any part thereof through any recognized market dealing in the sale of the same and hold the proceeds received as the Collateral hereunder and/or apply any or all of such proceeds toward the Obligations or any part thereof;

(b) The obligations secured by this Agreement shall immediately become due and payable in full without notice or demand and the Bank shall have all the rights, remedies and privileges with respect to repossession, retention and sale of the Collateral and disposition of the proceeds as are accorded to a secured party by the applicable sections of the Uniform Commercial Code;

(c) Upon any breach, default or Event of Default, the Bank's attorneys' fees and the legal and other expenses for pursuing, searching for, receiving, taking, keeping, storing, advertising, and selling the Collateral shall be chargeable to the Borrower and/or the Corporate Guarantors;

(d) The Borrower and the Corporate Guarantors shall remain liable for any deficiency resulting from a sale of the Collateral and shall pay any such deficiency forthwith on demand;

(e) If the Borrower and/or the Corporate Guarantors shall default in the performance of any of the provisions of this Security Agreement on the Borrower's and/or the Corporate Guarantors' part to be performed, the Bank may perform same for the Borrower's and/or the Corporate Guarantors' account and any monies expended in so doing shall be chargeable with interest to the Borrower and/or the Corporate Guarantors and added to the indebtedness secured hereby;

(f) The Bank, at the Bank's sole discretion, may:
(1) enter upon the Borrower's and/or the Corporate Guarantors' premises peaceably by the Bank's own means or with legal process and take possession of the Collateral, or render it unusable, or dispose of the Collateral on the Borrower's and/or the Corporate Guarantors' premises and the Borrower and/or the Corporate Guarantors agree not

to resist or interfere; (2) require the Borrower and/or the Corporate Guarantors to assemble the Collateral and deliver it to the Bank at a place to be designated by the Bank, reasonably convenient to both parties (the Borrower and/or the Corporate Guarantors agree that the Bank's designated agent's address is a place reasonably convenient for such delivering); (3) 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 will give the Borrower and/or the Corporate Guarantors reasonable notice of the time and place of any involuntary public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirement of reasonable notice will be met if such notice is mailed, postage prepaid, to the address of the Borrower and/or the Corporate Guarantors, respectively, shown above, at least seven (7) days from mailing before the time of such sale or disposition;

(g) The Borrower and/or the Corporate Guarantors, respectively, hereby irrevocably appoints the Bank its true and lawful agent, with power of substitution for the Borrower and/or the Corporate Guarantors, respectively, and in the Borrower's and/or the Corporate Guarantors', respectively, names or in the name of the Bank, for the use and benefit of the Bank (1) to demand, collect, receive payment of, receipt for and give discharges and releases of all or any of the Collateral and any proceeds in respect thereof; (2) to settle, compromise, compound or adjust all or any of the Collateral; (3) to commence and prosecute any and all suits, actions or proceedings in law or in equity in any court of competent jurisdiction to collect or otherwise realize on all or any of the Collateral, or to enforce any rights in respect thereof; and (4) generally to sell, assign, transfer, pledge, or otherwise deal with all or any of the Collateral as fully as though the Bank were the absolute owner thereof for all purposes. The Bank shall have the right to notify, or to require the Borrower and/or the Corporate Guarantors, respectively, to notify, the parties obligated on any or all of the contracts or personal property herein assigned to the Bank to make payment thereon direct to the Bank, and to take control of all proceeds;

(h) All the rights and remedies of the Bank, whether evidenced hereby or by any other agreement or instrument shall be cumulative and may be exercised singly or concurrently. No act of the Bank shall be construed as an election to proceed under any one provision to the exclusion of any other provision;

(i) All costs and expenses, including transfer taxes, broker's fees, attorneys' fees and collection costs, incurred by the Bank in connection with pursuing any of its remedies hereunder shall be paid by the Borrower and/or the Corporate Guarantors and payment of all such amounts shall be deemed secured by this Agreement and collectible from the proceeds of this Agreement;

(j) Any proceeds of sale shall first be applied to the costs of sale, next to expenses, including attorney's fees, next to accrued interest and the balance to unpaid principal.

7. Further Assurances. The Borrower and the Corporate Guarantors, at their expense, will execute and deliver all such instruments and take all such action as the Bank may from time to time reasonably request in order for the Bank to obtain the full benefits of this Agreement and of the rights and powers herein granted.

8. Severability. If any provision of this Agreement, or the application thereof to any Person or circumstances is held invalid, such invalidity shall not affect other provisions which can be given effect and to this end, the provisions hereof shall be severable.

9. No Waiver; Remedies Cumulative. The Borrower and the Corporate Guarantors agree that nothing herein shall be deemed to render this in any way conditional or to require the Bank to pursue or exhaust any other right or remedy against the Borrower and the Corporate Guarantors or any other party to the Loan or any other person directly or contingently obligated to the Bank in respect to the obligations secured hereunder, or against any other security for such obligations. No delay or omission by the Bank in pursuing any right, remedy or power hereunder shall operate as a waiver thereof, or of any other right, remedy or power, and no exercise or partial exercise of any right, remedy or power shall preclude other or further exercise thereof or of any other right, remedy or power. No waiver of any right, remedy or power on any occasion shall be construed as a waiver or a bar to the exercise of such right, remedy or power on another occasion. Nothing contained in this Agreement and no act or failure to act by the Bank pursuant to the provisions hereof, shall be deemed to be a waiver by the Bank of any of its rights, remedies or powers under any other Loan document or applicable law, or impair, alter or otherwise affect any of the terms covenants or conditions thereof or of any guarantee of the liabilities and obligations of the Borrower and the Corporate Guarantors hereunder or thereunder. This Agreement is made and accepted without prejudice to any right, remedy and power possessed by the Bank under or with respect to any of the Loan documents or any guarantee thereof; and all rights, remedies and powers of the Bank hereunder and thereunder and under applicable law, and its right to enforce any of the foregoing and any other security for the obligations hereunder or thereunder, shall be cumulative and not alternative and may be exercised successively or concurrently.

10. Waiver of Notice. Notice of acceptance of this Agreement and notice of any Default or Event of Default is hereby waived. Presentment, demand for payment, protest and notice of protest,

notice of dishonor, and all other notices in the exercise of possessory, collection, or other rights remedies are hereby waived.

11. Obligations Unconditional. This Agreement shall not be discharged or affected, nor shall the Borrower's and/or the Corporate Guarantors' obligations and duties be diminished, by the Borrower's and/or the Corporate Guarantors' merger, dissolution, reorganization or bankruptcy or by any settlement, extension, renewal, forbearance, or any other variation in the terms or the provisions of any or all of the obligations under this Agreement or under the Loan documents secured hereby, or any other agreement relating to or made in connection with or on account of any such agreements, or by the Bank's discharge or release of the obligations of all or some of the persons directly or contingently or otherwise liable to the Bank under any Loan document from some or all of the obligations thereunder, or for the discharge or release of some or all of the security therefor, or any other security furnished by any other person as security for the obligations under the Loan documents or this Agreement, or any related agreement or right.

12. Other Instruments. Other instruments relating to the Obligations are separate from this Agreement and may be negotiated by the Bank without releasing the Borrower and the Corporate Guarantors, the Collateral, or any other guarantors, if any.

13. Assignment. The Bank may assign the Agreement, and, if assigned, the assignee shall be entitled to performance of all of the Borrower's and the Corporate Guarantors' obligations and agreements hereunder and the assignee shall be entitled to all of the rights and remedies of the Bank hereunder. The Borrower and the Corporate Guarantors will assert no claims or defenses (except such claims or defenses which would be permanently lost if not pleaded) that the Borrower and the Corporate Guarantors may have against the Bank against the assignee.

14. Amendment. None of the terms or provisions of this Agreement may be waived, altered, modified or amended except by an instrument in writing, duly executed by the Borrower, the Corporate Guarantors and the Bank.

15. Benefit. This Agreement and all obligations of the Borrower and the Corporate Guarantors hereunder shall be binding upon the successors and assigns of the Borrower and the Corporate Guarantors and shall inure to the benefit of the Bank and its successors and assigns.

16. Governing Law. With respect to Collateral located in the State of New York, this Agreement shall be governed by and construed in accordance with the laws of the State of New York without

reference to the conflicts of laws. With respect to Collateral located in the State of New Jersey, this Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey without reference to the conflicts of laws.

17. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

18. Term. This Agreement shall remain in full force and effect until the payment in full of all amounts payable under this Agreement, the Note, and all other amounts payable under all the other Loan documents.

19. Notices. All communications under this Agreement shall be made at the addresses that appear above unless any party to this Agreement notifies the other in writing of a change of address.

20. Headings and Captions. The paragraph headings and captions are inserted herein only as a matter of convenience and for reference only and in no way define, limit or describe the scope of this Agreement nor the intent of any provision thereof.

21. Waiver of Trial by Jury. The Borrower and the Corporate Guarantors hereby irrevocably and unconditionally waive and the Bank by its acceptance of this Agreement irrevocably and unconditionally waives, any and all rights to trial by jury in any action, suit or counterclaim arising in connection with, out of or otherwise relating to this Agreement and any other document or instrument now or hereafter executed and delivered in connection herewith.

22. Definitions.

(a) "Ground Lease" shall mean all the lease agreements described in Exhibit "A-1" of the New York IDA Mortgage and between the Borrower, the Corporate Guarantors, the Agencies and the Bank dated the date hereof.

(b) "Leasehold" shall mean the property described in Exhibit "A" of the New York IDA Mortgage leased to the Borrower by the Agencies.

(c) "Mortgaged Property" shall mean, collectively, all of the mortgaged property described and defined in the New York Non-IDA Mortgage (the "Non-IDA Mortgage"), the New York IDA Mortgage (the "IDA Mortgage"), the New Jersey Mortgage (the "New Jersey Mortgage"), the New York Class 2 Mortgage (the "N.Y. Class 2 Mortgage"), and the New Jersey Class 2 Mortgage (the "N.J. Class 2

Mortgage") by and between the Borrower, the Corporate Guarantor and the Bank dated the date hereof, and the New York IDA Mortgage.

(d) "Premises" shall mean, collectively, all of the premises described and defined in the Non-IDA Mortgage, the New Jersey Mortgage, the New York IDA Mortgage, the N.Y. Class 2 Mortgage and the N.J. Class 2 Mortgage.

IN WITNESS WHEREOF, this Pledge and Security Agreement has been executed and delivered as of the date first above written.

*Approved
W.B.*

DELAWARE OTSEGO CORPORATION

By:

William B. Blatter

William B. Blatter
Senior Vice President

COOPERSTOWN AND CHARLOTTE VALLEY RAILWAY CORPORATION

By:

William B. Blatter

William B. Blatter
Senior Vice President

CENTRAL NEW YORK RAILROAD CORPORATION

By:

William B. Blatter

William B. Blatter
Senior Vice President

FONDA, JOHNSTOWN AND GLOVERSVILLE RAILROAD COMPANY

By:

William B. Blatter

William B. Blatter
Senior Vice President

FONFULCO, INC.

By: 
William B. Blatter
Senior Vice President

LACKAWAXEN AND STOURBRIDGE
RAILROAD CORPORATION

By: 
William B. Blatter
Senior Vice President

DELAWARE OTSEGO EQUIPMENT
CORPORATION

By: 
William B. Blatter
Senior Vice President

THE NEW YORK, SUSQUEHANNA AND
WESTERN RAILWAY CORPORATION

By: 
William B. Blatter
Senior Vice President

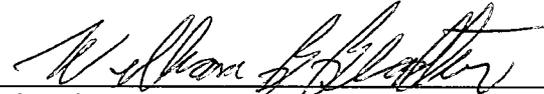
SUSQUEHANNA PROPERTIES, INC.

By: 
William B. Blatter
Senior Vice President

STATEN ISLAND RAILWAY CORPORATION

By: 
William B. Blatter
Senior Vice President

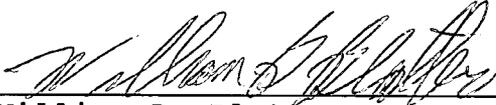
DELTA WAREHOUSING CORPORATION

By: 
William B. Blatter
Senior Vice President

RAHWAY VALLEY RAILROAD COMPANY,
LESSEE

By: 
William B. Blatter
Senior Vice President

RAHWAY VALLEY COMPANY, LESSEE

By: 
William B. Blatter
Senior Vice President

SUSQUEHANNA BULK SYSTEMS, INC.

By: _____

STATE OF NEW YORK)

SS.:

COUNTY OF MONROE)

On this ____ day of September, 1990, before me personally came _____, to me known, who, being by me duly sworn did depose and say that he resides in _____; that he is the _____ of SUSQUEHANNA BULK SYSTEMS, INC., a New Jersey corporation, the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by order of the Board of Directors.

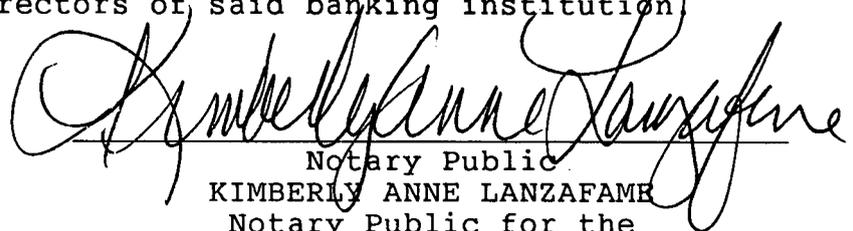
(Notary Public)
NATHAN R. FENNO
Notary Public for the
State of New York
Qualified in Otsego County
4786561
Commission Expires 03/30/91

STATE OF NEW YORK)

: SS.

COUNTY OF MONROE)

On this 26 day of September, 1990, before me personally came James D. Small, to me known, who, being by me duly sworn did depose and say that he resides in Fayetteville, New York; that he is a Vice President of CHEMICAL BANK, the banking institution described in and which executed the above instrument; that he signed his name thereto by order of the Board of Directors of said banking institution.



Notary Public
KIMBERLY ANNE LANZAFAME
Notary Public for the
State of New York
Qualified in Monroe County
Commission Expires 06/02/92



SUSQUEHANNA BULK SYSTEMS, INC.

by: *Paul Garber*
Paul Garber
President

Attest:

Nathan Fenno
Secretary

STATE OF NEW YORK

COUNTY OF OTSEGO

On this 27 day of September, 1990, before me personally came Paul Garber, to me known, who, being duly sworn did depose and say that he resides in Ridgewood, New Jersey; that he is the President of Susquehanna Bulk Systems, Inc., a New Jersey corporation, one of the corporations described in and which executed the foregoing instrument; and that he signed his name thereto by order of the Board of Directors of such corporation.

Nathan Fenno
Notary Public

NATHAN R. FENNO
Notary Public, State of New York
Otsego County, No. 4786561
My Term Expires 3/30/91