

TROUTMAN SANDERS LLP

A T T O R N E Y S A T L A W
A LIMITED LIABILITY PARTNERSHIP

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October 3, 2006

RECORDATION NO. 22157-B FILED

VIA HAND DELIVERY

OCT 03 '06

3-54 PM

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

SURFACE TRANSPORTATION BOARD

Dear Secretary Williams:

Enclosed for recordation, under the provisions of 49 U.S.C. §11301 and the regulations promulgated thereunder, are two executed counterparts of an Amendment to Railcar Mortgage & Security Agreement dated as of October 3, 2006 (the "Amendment"), between Somerset Railroad Corporation (the "Pledgor") and Fortis Capital Corp. (the "Secured Party"), a secondary document not previously recorded.

The names and addresses of the parties to the enclosed document are as follows:

PLEDGOR/MORTGAGOR:	Somerset Railroad Corporation 7725 Lake Road Barker, NY 14012
SECURED PARTY/MORTGAGEE:	Fortis Capital Corp. 520 Madison Avenue 3 rd Floor New York, NY 10022

Pursuant to the Amendment, Secured Party releases its lien and security interest under that certain Railcar Mortgage & Security Agreement dated as of May 6, 1999 (the "Railcar Mortgage"), by Pledgor in favor of CIBC, Inc. (the "Original Secured Party") in and to one hundred twenty-one (121) railcars owned by Pledgor as more fully described in Schedule 1 to the Amendment. The Railcar Mortgage was recorded with the Board on May 14, 1999, and was assigned Recordation No. 22157. The Original Secured Party assigned all of its interest in the Railcar Mortgage to the Secured Party pursuant to that certain Railcar Mortgage Assignment dated as of August 14, 2000 (the "Assignment"), by the Original Secured Party in favor of the

TROUTMAN SANDERS LLP
ATTORNEYS AT LAW
A LIMITED LIABILITY PARTNERSHIP

Honorable Vernon A. Williams
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Secured Party. The Assignment was recorded with the Board on August 14, 2000, and was assigned Recordation No. 22157-A. The Amendment should be assigned Recordation No. 22157-B.

A short summary of the Amendment to appear in the STB Index follows:

“Amendment to Railcar Mortgage & Security Agreement releasing lien and security interest of Secured Party in 121 railcars as more particularly described in Schedule 1 thereto.”

Enclosed is a remittance in the amount of \$34.00 for the required recording fee. Please return to the person delivering this filing the stamped documents not needed for your files.

Sincerely yours,



Sandra L. Brown
Attorney for purposes of this filing for Fortis
Capital Corp. and Somerset Railroad Corporation

Enclosures

OCT 03 '06

3-54 PM

SURFACE TRANSPORTATION BOARD

AMENDMENT
TO
RAILCAR MORTGAGE & SECURITY AGREEMENT



THIS AMENDMENT TO RAILCAR MORTGAGE & SECURITY AGREEMENT (this "Amendment") is made as of October 3, 2006, between SOMERSET RAILROAD CORPORATION, a New York corporation (the "Pledgor") and FORTIS CAPITAL CORP. (the "Secured Party").

WITNESSETH THAT:

WHEREAS:

(A) The Pledgor has executed a Railcar Mortgage and Security Agreement dated as of May 6, 1999 (the "Railcar Mortgage") in favor of CIBC, Inc. (the "Original Secured Party") covering the Collateral, including, without limitation, all of Pledgor's interest in any railroad cars, locomotives, railroad tank cars, covered hopper cars and other rolling stock. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed thereto in the Railcar Mortgage or the Credit Agreement referred to below.

(B) The Railcar Mortgage was recorded with the Surface Transportation Board under the provisions of 49 U.S.C. §11301(a) and the regulations promulgated thereunder on May 14, 1999 and was assigned recordation number 22157.

(C) The Original Secured Party assigned all of its rights, title and interests in the Railcar Mortgage to the Secured Party pursuant to the certain Railcar Mortgage Assignment dated as of August 14, 2000 (the "Railroad Car Assignment"), by the Original Secured Party in favor of the Secured Party in connection with the resignation of the Original Secured Party, and the appointment of the Secured Party, as Agent and the purchase by the Secured Party of the Original Secured Party's entire interest in its Loans and Commitments under the Secured Credit Agreement dated as of May 6, 1999, among Pledgor, as Borrower, the Banks party thereto and the Original Secured Party, as Agent (as amended, modified or supplemented from time to time, the "Credit Agreement").

(D) The Railroad Car Assignment was recorded with Surface Transportation Board under the provisions of 49 U.S.C. §11301(a) and the regulations promulgated thereunder on August 14, 2000 and was assigned recordation number 22157-A.

(E) The Pledgor has requested that the Secured Party release its liens and security interests under the Railcar Mortgage in one hundred twenty-one railroad freight cars owned by the Pledgor as more particularly described herein, and the Secured Party is willing to do so upon the terms and conditions of this Amendment.

NOW, THEREFORE, in consideration of the premises and the covenants contain herein and such other consideration, the receipt and sufficiency of which is hereby acknowledged by the Secured Party, the parties hereto agree as follows.

1. Release. The Secured Party hereby releases the one hundred twenty-one (121) freight cars owned by of the Pledgor as more particularly described in Schedule 1 attached hereto (collectively, the "Released Railcars") from the lien and security interest of the Railcar Mortgage, without representation, warranty or recourse whatsoever, except that the Secured Party has not transferred to any other party any of its interests in the Released Railcars.

2. Proceeds of Sale of Released Railcars. The Pledgor hereby covenants and agrees to promptly prepay the Loans in an amount equal to the Net Cash Proceeds (as defined in the Credit Agreement) from the sale or disposition of the Released Railcars in accordance with Section 2.05 of the Credit Agreement.

3. Full Force and Effect. This Amendment is a partial release only of the Secured Party's lien and security interest in the Released Railcars, and except as herein expressly provided with respect to the Released Railcars, the lien and security interest of the Secured Party under the Railcar Mortgage in the remaining Collateral continues in full force and effect according to the terms of the Railcar Mortgage.

4. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original and shall be binding upon the parties and their respective successors and assigns.

5. Governing Law. This Amendment shall, pursuant to New York General Obligations Law Section 5-1401, be governed by the law of the State of New York.

[END OF TEXT; SIGNATURE PAGE TO FOLLOW]

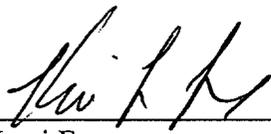
IN WITNESS WHEREOF, the Pledgor and the Secured party have caused this Amendment to be duly executed as of the day and year first above written.

SOMERSET RAILROAD CORPORATION.
as Pledgor

By: _____
Name:
Title:

FORTIS CAPITAL CORP.,
as Secured Party

By:  _____
Name: Floris Lyppens
Title: Vice President

By:  _____
Name: Kerri Fox
Title: Managing Director

IN WITNESS WHEREOF, the Pledgor and the Secured party have caused this Amendment to be duly executed as of the day and year first above written.

SOMERSET RAILROAD CORPORATION.
as Pledgor

By: 
Name: Gary P. Edwards
Title: VP

FORTIS CAPITAL CORP.,
as Secured Party

By: _____
Name: Floris Lyppens
Title: Vice President

By: _____
Name: Kerri Fox
Title: Managing Director

STATE OF NEW YORK)
 :SS.:
COUNTY OF NIAGARA)

On this 2nd day of October, 2006 before me came Gary Edwards VP
of Somerset Railroad Corporation to me known to be the person who executed the foregoing
instrument, and acknowledged that he/she executed the same.

Dorothy J. Patterson
Notary Public

DOROTHY J. PATTERSON
Notary Public - State of New York
Registration No. 01PA6057768
Qualified in Niagara County 07
Commission Expires 04-23-07

STATE OF NEW YORK)
 :SS.:
COUNTY OF NEW YORK)

On this 2 day of October, 2006 before me came Kevin Fox, Floris Lypkens
of Fortis Capital Corp. to me known to be the person who executed the foregoing instrument, and
acknowledged that he/she executed the same.

Alida J. Moore
Notary Public

ALIDA-J. MOORE
Notary Public, State of New York
No. 24-4966845
Qualified in Kings County
Commission Expires December 16, 2006

STATE OF NEW YORK)
 :SS.:
COUNTY OF NEW YORK)

On this 2 day of October, 2006 before me came Kevin Fox, Floris Lypkens
of Fortis Capital Corp. to me known to be the person who executed the foregoing instrument, and
acknowledged that he/she executed the same.

Alida J. Moore
Notary Public

ALIDA J. MOORE
Notary Public, State of New York
No. 24-4966845
Qualified in Kings County
Commission Expires December 16, 2006

SCHEDULE 1
to
Amendment
to
Railcar Mortgage & Security Agreement
between
Somerset Railroad Corporation, as Pledgor
and
Fortis Capital Corp., as Secured Party

DESCRIPTION OF COLLATERAL TO BE RELEASED

The following railroad freight cars manufactured by Ortner Freight Car Company in 1983 and 1984 and assigned the below listed identification numbers:

<u>OWNER OF CAR</u>	<u>CAR I.D. NO.</u>	<u>LOCATION OF CAR</u>
SOMERSET RAILROAD CORPORATION	105	NEW YORK LINE 16
SOMERSET RAILROAD CORPORATION	106	NEW YORK LINE 16
SOMERSET RAILROAD CORPORATION	107	NEW YORK LINE 16
SOMERSET RAILROAD CORPORATION	113	NEW YORK LINE 16
SOMERSET RAILROAD CORPORATION	144	NEW YORK LINE 16
SOMERSET RAILROAD CORPORATION	151	NEW YORK LINE 16
SOMERSET RAILROAD CORPORATION	163	NEW YORK LINE 16
SOMERSET RAILROAD CORPORATION	168	NEW YORK LINE 16
SOMERSET RAILROAD CORPORATION	169	NEW YORK LINE 16
SOMERSET RAILROAD CORPORATION	176	NEW YORK LINE 16
SOMERSET RAILROAD CORPORATION	211	NEW YORK LINE 16
SOMERSET RAILROAD CORPORATION	219	NEW YORK LINE 16
SOMERSET RAILROAD CORPORATION	222	NEW YORK LINE 16
SOMERSET RAILROAD CORPORATION	228	NEW YORK LINE 16
SOMERSET RAILROAD CORPORATION	234	NEW YORK LINE 16
SOMERSET RAILROAD CORPORATION	249	NEW YORK LINE 16
SOMERSET RAILROAD CORPORATION	260	NEW YORK LINE 16
SOMERSET RAILROAD CORPORATION	273	NEW YORK LINE 16
SOMERSET RAILROAD CORPORATION	282	NEW YORK LINE 16
SOMERSET RAILROAD CORPORATION	304	NEW YORK LINE 16
SOMERSET RAILROAD CORPORATION	400	NEW YORK LINE 16
TOTAL	21	
SOMERSET RAILROAD CORPORATION	101	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	102	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	103	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	108	NEW YORK LINE 17

OWNER OF CAR

CAR I.D. NO.

LOCATION OF CAR

SOMERSET RAILROAD CORPORATION	109	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	111	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	118	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	121	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	123	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	127	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	128	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	131	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	134	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	135	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	136	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	137	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	138	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	139	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	143	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	145	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	147	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	153	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	160	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	162	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	165	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	166	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	179	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	181	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	182	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	183	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	186	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	187	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	188	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	202	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	205	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	207	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	213	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	220	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	221	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	223	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	224	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	227	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	229	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	233	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	235	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	238	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	240	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	242	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	244	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	245	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	246	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	256	NEW YORK LINE 17

OWNER OF CAR

CAR I.D. NO.

LOCATION OF CAR

SOMERSET RAILROAD CORPORATION	257	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	262	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	264	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	265	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	268	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	274	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	277	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	284	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	300	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	301	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	306	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	308	NEW YORK LINE 17
SOMERSET RAILROAD CORPORATION	309	NEW YORK LINE 17

TOTAL

65

CARS

SOMERSET RAILROAD CORPORATION	104	SHIREOAKS
SOMERSET RAILROAD CORPORATION	110	LOCKPORT
SOMERSET RAILROAD CORPORATION	112	WEST SENECA
SOMERSET RAILROAD CORPORATION	125	SHIREOAKS
SOMERSET RAILROAD CORPORATION	126	SHIREOAKS
SOMERSET RAILROAD CORPORATION	129	ITHACA
SOMERSET RAILROAD CORPORATION	130	BUFFALO
SOMERSET RAILROAD CORPORATION	140	SHIREOAKS
SOMERSET RAILROAD CORPORATION	141	SHIREOAKS
SOMERSET RAILROAD CORPORATION	156	
SOMERSET RAILROAD CORPORATION	158	PAINTED POST
SOMERSET RAILROAD CORPORATION	159	SHIREOAKS
SOMERSET RAILROAD CORPORATION	173	WEST SENECA
SOMERSET RAILROAD CORPORATION	184	SHIREOAKS
SOMERSET RAILROAD CORPORATION	185	SHIREOAKS
SOMERSET RAILROAD CORPORATION	200	SHIREOAKS
SOMERSET RAILROAD CORPORATION	209	
SOMERSET RAILROAD CORPORATION	212	
SOMERSET RAILROAD CORPORATION	225	SHIREOAKS
SOMERSET RAILROAD CORPORATION	237	SHIREOAKS
SOMERSET RAILROAD CORPORATION	243	BUFFALO
SOMERSET RAILROAD CORPORATION	248	
SOMERSET RAILROAD CORPORATION	252	PAINTED POST
SOMERSET RAILROAD CORPORATION	254	WEST SENECA
SOMERSET RAILROAD CORPORATION	267	LOCKPORT
SOMERSET RAILROAD CORPORATION	272	SHIREOAKS
SOMERSET RAILROAD CORPORATION	276	WEST SENECA
SOMERSET RAILROAD CORPORATION	278	SHIREOAKS
SOMERSET RAILROAD CORPORATION	281	SHIREOAKS
SOMERSET RAILROAD CORPORATION	285	SHIREOAKS
SOMERSET RAILROAD CORPORATION	286	WEST SENECA
SOMERSET RAILROAD CORPORATION	302	

<u>OWNER OF CAR</u>	<u>CAR I.D. NO.</u>	<u>LOCATION OF CAR</u>
SOMERSET RAILROAD CORPORATION	303	
SOMERSET RAILROAD CORPORATION	305	WEST SENECA
SOMERSET RAILROAD CORPORATION	307	SHIREOAKS
TOTAL	35	CARS
TOTAL COUNT	121	CARS

[End of Schedule 1]