

RELEASE OF LIEN
(Lessee Mortgage)

19662-G

This RELEASE OF LIEN, dated as of June 4, 1996, made in favor of FRANK W. MCDONALD, JR. (the "Lessor"), not in his individual capacity, but solely as Owner Trustee under the Trust Agreement (Equipment Lot FU), dated as of September 27, 1995, with First Union National Bank of Florida and the trustees named therein, by NEW JERSEY TRANSIT CORPORATION, a body corporate and politic established in the Executive Branch of the State Government of New Jersey (the "Lessee").

WHEREAS, Lessor and the Lessee have heretofore entered into the Lessee's Equipment Mortgage (Equipment Lot FU), dated as of October 3, 1995 (the "Mortgage"; capitalized terms used herein without definition have the meanings assigned to them in or by reference in the Mortgage), pursuant to which the Lessor granted to the Lessee a Lien on all the Lessee Mortgage Collateral set forth therein in order to secure certain of the Lessor's obligations to the Lessee under the Lease;

WHEREAS, the Lessor and Lessee executed and delivered the Memorandum of Lessee Security Agreement and Mortgage (Equipment Lot FU), dated as of October 3, 1995, and relating to the Mortgage, which memorandum was recorded with the Secretary of the Interstate Commerce Commission on October 6, 1995, at 12:35 PM and assigned recordation number 19662-B;

WHEREAS, the Lessee has substituted the 1993 GP40PH-2 Locomotive number 4150 bearing Serial Number 7127-30 (the "Substitute Locomotive") for the 1993 GP40PH-2 Locomotive number 4148 bearing Serial Number 33465 (the "Lost Locomotive"), which Lost Locomotive sustained an Event of Loss, under the Lease;

WHEREAS, pursuant to Section 2(a) of the Mortgage, the Lost Locomotive has been released from the Lien thereof and the Substitute Locomotive subjected thereto; and

WHEREAS, pursuant to such Section 2(a), the Lessee is required to execute and deliver to the Lessor this Release of Lien evidencing the release of the Lost Locomotive from the Lien of the Mortgage.

NOW, THEREFORE, in consideration of the Lessor executing and delivering the Mortgage Supplement (Equipment Lot FU), dated the date hereof, by which supplement the Lessor grants, bargains, sells, assigns, transfers, conveys, mortgages, warrants, pledges and confirms unto the Lessee, its successors and permitted assigns, a security interest in, mortgage Lien on, and pledge of, all right, title and interest of the Lessor in, to and under, and grants the Lessee a first priority security interest in, the Substitute Locomotive, the Lessee DOES HEREBY RELEASE AND DISCHARGE unto the Lessor, its successors and assigns, all right, title and interest whatsoever in and to the Lost Locomotive, TO HAVE

AND TO HOLD the same unto the Lessor, its successors and assigns forever, free, clear and discharged of and from any and all liens and security interests created by and under, and all claims under and by virtue of, the Lien of the Mortgage. From and after the date hereof, the Lost Locomotive shall no longer be an "Item of Equipment" or form part of the "Lessee Mortgage Collateral", as each is defined in or by reference in the Mortgage.

This release is given on the express condition that it not impair any right, title or interest of the Lessee in respect of any other property forming part of the Lessee Mortgage Collateral.

IN WITNESS WHEREOF, the Lessee has caused this Release of Lien to be executed on its behalf on the date first above written.

NEW JERSEY TRANSIT CORPORATION

By : 

Name:

Title:

Approved as to form only:

Deborah T. Poritz
Attorney General of New Jersey

By: 
Kenneth M. Worton
Deputy Attorney General

STATE OF New Jersey)
) SS
COUNTY OF Essex)

On this 3rd day of June, 1996, before me personally appeared H. Charles Wedel, to me personally known, who being by me duly sworn, said that s/he is the CFO of New Jersey Transit Corporation, that the foregoing instrument was signed on such date on behalf of said corporation by authority of its Board of Directors, and that the execution of the foregoing document was the free act and deed of said corporation.

Notary Public

Phyllis A. Guerin

[SEAL]

My commission expires:

PHYLLIS A. GUERIN
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires July 26, 2007