

RECORDATION NO. 21377 FILED

MAR 13 '98 12-20 PM

ALVORD AND ALVORD

ATTORNEYS AT LAW

918 SIXTEENTH STREET, N.W.

SUITE 200

WASHINGTON, D.C.

20006-2973

(202) 393-2266

FAX (202) 393-2156

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

RECORDATION NO. 21374-ABC FILED

MAR 13 '98 12-20 PM

March 13, 1998

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Re: New Jersey Transit Corporation
(1998-SB-1)

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies of a Memorandum of Lease Agreement, dated as of March 13, 1998, a primary document as defined in the Board's Rules for the Recordation of Documents, and two (2) copies of each of the following secondary documents related thereto: Memorandum of Sublease Agreement, Memorandum of Loan and Security Agreement and Memorandum of Leasehold Pledge Agreement.

The names and addresses of the parties to the enclosed documents are:

Lease Agreement

Head Lessor: New Jersey Transit Corporation
One Penn Plaza
Newark, New Jersey 07105

Head Lessee: Wilmington Trust Company, as Trustee
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890

Handwritten notes:
Auth.
C. Cantor/Ph...

Vertical stamps and markings:
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FILED

Mr. Vernon A. Williams
March 13, 1998
Page 2

Sublease Agreement

Lessor: Wilmington Trust Company, as Trustee
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890

Lessee: New Jersey Transit Corporation
One Penn Plaza
Newark, New Jersey 07105

Loan and Security Agreement

B → Trustee: Wilmington Trust Company, as Trustee
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890

Secured Party: AIG-FP Funding (Cayman) Limited
c/o Maples & Calder
PO Box 309
Grand Cayman, Cayman Islands BWI

Leasehold Pledge Agreement

C Pledgor: New Jersey Transit Corporation
One Penn Plaza
Newark, New Jersey 07105

Pledgee: Wilmington Trust Company, as Trustee
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890

A description of the railroad equipment covered by the enclosed documents is set forth on Exhibit A attached to the Memoranda.

Mr. Vernon A. Williams
March 13, 1998
Page 3

Also enclosed is a check in the amount of \$96.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of each of the enclosed documents to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert W. Alvord", with a long horizontal flourish extending to the right.

Robert W. Alvord

RWA/bg
Enclosures

**MEMORANDUM OF LOAN AND SECURITY AGREEMENT
(1998 - SB 1)**

MAR 13 98

12-20 PM

Memorandum of Loan and Security Agreement (1998 - SB 1), made and entered into as of March 13, 1998 between Wilmington Trust Company, not in its individual capacity, but solely as Trustee, ("Borrower"), and AIG-FP Funding (Cayman) Limited Lender, ("Lender").

WITNESSETH:

The undersigned have entered into that certain Loan and Security Agreement (1998 - SB 1) (the "Loan Agreement"), dated as of March 13, 1998, by which the Borrower has granted a security interest in a sublease of certain railroad equipment bearing serial numbers as listed on Exhibit A attached hereto, a leasehold pledge agreement and certain other collateral more fully described in the Loan Agreement to the Lender in order to secure the Borrower's performance of its obligations as described in the Loan Agreement.

IN WITNESS WHEREOF, the parties hereto have each caused this memorandum to be duly executed by their respective officers duly authorized as of the date and year first above written.

WILMINGTON TRUST COMPANY,
not in its individual capacity, but solely as Trustee

By: _____
Name:
Title:

AIG-FP FUNDING (CAYMAN) LIMITED

By _____
Name:
Title:

WILMINGTON TRUST COMPANY,
not in its individual capacity, but solely as Trustee

By 

Name:

EMMETT R. HARMON

Title:

VICE PRESIDENT

AIG-FP FUNDING (CAYMAN) LIMITED

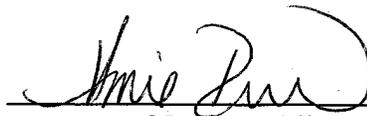
By Kathleen M. Furlong
Name: Kathleen M. Furlong
Title: Authorized Signatory

STATE OF CONNECTICUT)

) ss. Westport

COUNTY OF FAIRFIELD)

On this 12th day of March, 1998 before me personally appeared Kathleen M. Furlong, to me personally known, who being duly sworn, says that he/she is the Authorized Signatory of AIG-PP Funding (Cayman) Limited, that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Notary Public

AMIE PETRO
NOTARY PUBLIC

MY COMMISSION EXPIRES NOV. 30, 1998

Exhibit A

Sanwa Business Credit Corporation (1998-SB 1)

	Car #	Equipment Description
1.	#1494A	Arrow III multiple unit passengers rail cars
2.	#1495B	Arrow III multiple unit passengers rail cars
3.	#1428A	Arrow III multiple unit passengers rail cars
4.	#1429B	Arrow III multiple unit passengers rail cars
5.	#1402A	Arrow III multiple unit passengers rail cars
6.	#1403B	Arrow III multiple unit passengers rail cars
7.	#1424A	Arrow III multiple unit passengers rail cars
8.	#1425B	Arrow III multiple unit passengers rail cars
9.	#1432A	Arrow III multiple unit passengers rail cars
10.	#1433B	Arrow III multiple unit passengers rail cars
11.	#1438A	Arrow III multiple unit passengers rail cars
12.	#1439B	Arrow III multiple unit passengers rail cars
13.	#1334A	Arrow III multiple unit passengers rail cars
14.	#1335B	Arrow III multiple unit passengers rail cars
15.	#1382A	Arrow III multiple unit passengers rail cars
16.	#1383B	Arrow III multiple unit passengers rail cars
17.	#1390A	Arrow III multiple unit passengers rail cars
18.	#1391B	Arrow III multiple unit passengers rail cars
19.	#1508A	Arrow III multiple unit passengers rail cars
20.	#1509B	Arrow III multiple unit passengers rail cars
21.	#1434A	Arrow III multiple unit passengers rail cars
22.	#1344A	Arrow III multiple unit passengers rail cars
23.	#1368A	Arrow III multiple unit passengers rail cars
24.	#1510A	Arrow III multiple unit passengers rail cars
25.	#1518A	Arrow III multiple unit passengers rail cars
26.	#1446A	Arrow III multiple unit passengers rail cars