

**MEMORANDUM OF LESSOR SECURITY AGREEMENT
(CONRAIL 1995A-Y)**

Memorandum of Lessor Security Agreement made and entered into as of June 27, 1995, by and between LaGrange Locomotive Lease Co., Ltd., a Cayman Islands corporation ("Lessor") and Consolidated Rail Corporation, a Pennsylvania corporation ("Lessee").

WITNESSETH:

The undersigned have entered into that certain Lessor Security Agreement (Conrail 1995A-Y), dated as of June 27, 1995, whereby Lessor has granted to Lessee a security interest in certain locomotives bearing the road numbers listed on Exhibit A attached hereto.

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.

LAGRANGE LOCOMOTIVE LEASE CO., LTD.

By 
Name: F. Jan Blaustein
Title: President

Executed on this 22 day of June, 1995.

CONSOLIDATED RAIL CORPORATION

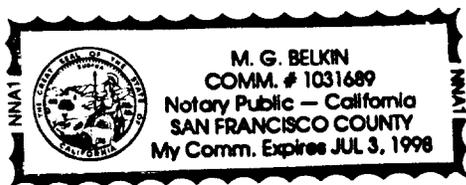
By 
Name: Thomas J. McGraw
Title: Director-Financing

Executed on this 23rd day of June, 1995.

STATE OF California)
) SS.:
COUNTY OF San Francisco)

On this, the 22 day of June, 1995, before me, a Notary Public in and for said County and State, personally appeared F. Jan Blaustein, who being by me duly sworn, says that she is the President of LAGRANGE LOCOMOTIVE LEASE CO., LTD., that said instrument was signed on June 22, 1995, on behalf of said corporation by authority of its Board of Directors, and she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunder set my hand and official seal on the date above mentioned.



M.G. Belkin
Name: M.G. Belkin
Notary Public
My Commission Expires: 7/3/98

STATE OF Illinois)
) SS.:
COUNTY OF Shelby)

On this, the 13 day of June, 1995, before me, a Notary Public in and for said County and State, personally appeared Thomas J. McGraw, who being by me duly sworn, says that he is the Director-Financing of CONSOLIDATED RAIL CORPORATION, that said instrument was signed on June 13, 1995, on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Loretta Dandridge

Name: _____
Notary Public
My Commission Expires: _____

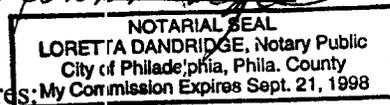


EXHIBIT A

UNITS

EQUIPMENT	QUANTITY	ROAD NUMBERS
General Motors Corporation (Electro-Motive Division) Model SD60I Diesel Electric Locomotives	Twenty-one (21)	5614 through 5627, inclusive, and 5630 through 5636, inclusive