

19682-B
6-1995

MEMORANDUM OF LESSEE SECURITY
AGREEMENT AND MORTGAGE

(Equipment Lot FU)

Memorandum of Lessee Security Agreement and Mortgage (Equipment Lot FU), dated as of October 3, 1995, by and between Frank W. McDonald, Jr., not in his individual capacity but solely as Owner Trustee ("*Lessor*"), and New Jersey Transit Corporation, a body corporate and politic established in the Executive Branch of the State Government of New Jersey ("*Lessee*").

WITNESSETH:

The parties hereto are entering into that certain Lessee Security Agreement and Mortgage (Equipment Lot FU), dated as of October 3, 1995, whereby Lessor agrees to grant to Lessee as security for Lessor's performance of its obligations described in said Lessee Security Agreement and Mortgage (Equipment Lot FU) a security interest in and mortgage on the Items of Equipment specified in Exhibit A attached hereto, subject and subordinate and junior in priority to the lien of the Loan and Security Agreement (Equipment Lot FU) dated as of October 3, 1995, between the Lessor and Utrecht-America Finance Co. relating to said Items of Equipment.

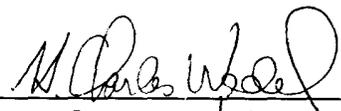
This Memorandum may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

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.

FRANK W. McDONALD, JR.,
as Owner Trustee

By 
Name:
Title:

NEW JERSEY TRANSIT
CORPORATION

By 
Name: H. Charles Wedel
Title: CFO

STATE OF **CONNECTICUT**)
) SS
COUNTY OF **HARTFORD**)

On this 5th day of October 1995, before me personally appeared FRANK W. McDONALD, JR., to me personally known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same.

Notary Public *Karen R. Felt*

[NOTARIAL SEAL]

KAREN R. FELT
NOTARY PUBLIC
My Commission Expires 02/28/99

My commission expires: _____

STATE OF NEW YORK)
) SS
COUNTY OF NEW YORK)

On this 3rd day of October, 1995, before me personally appeared H. CHARLES WEDEL, to me personally known, who being by me duly sworn, said that he is the Chief Financial Officer of NEW JERSEY TRANSIT CORPORATION, that said instrument was signed on such date on behalf of said corporation on such day 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.

Barbara S. Vollmer
Notary Public

BARBARA S. VOLLMER
Notary Public, State of New York
No. 31-4962553
Qualified in New York County *96*
Commission Expires Feb. 20, 19__

[NOTARIAL SEAL]

My commission expires: _____

EXHIBIT A

	GP40PH-2 Locomotive #	Serial #	Year Remanufactured
13 units 1991 Locomotives	4100	34258	7/91
	4101	34249	8/91
	4102	34252	12/91
	4103	34253	10/91
	4104	34259	9/91
	4105	34256	11/91
	4106	34248	12/91
	4107	34257	1/92
	4108	34260	2/92
	4109	34254	3/92
	4110	34250	5/92
	4111	34251	4/92
	4112	34255	6/92
5 units 1993 Locomotives	4145	38512	3/93
	4146	38561	3/93
	4147	34615	4/93
	4148	33465	4/93
	4149	34309	4/93
19 units 1994 Locomotives	4200	34647	11/93
	4201	33217	12/93
	4202	30943	1/94
	4203	34663	2/94
	4204	35047	2/94
	4205	35048	3/94
	4206	34661	3/94
	4207	30942	4/94
	4208	34632	4/94
	4209	34664	5/94
	4210	34623	5/94
	4211	34633	7/94
	4212	35058	6/94
	4213	35060	7/94
	4214	35050	7/94
	4215	30946	8/94
	4216	34645	8/94
	4217	34659	9/94
	4218	34640	9/94

	Comet #	Serial #
	5000	561
	5001	568
9 units	5002	571
1991 Comet III	5003	573
Trailer with Cabs	5004	575
	5005	578
	5006	580
	5007	583
	5008	585