

RECORDATION NO. 26680-A FILED

DEC 11 '08 -8 3 5 AM

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SURFACE TRANSPORTATION BOARD

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20036

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December 11, 2006

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

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 Security Agreement, dated as of December 10, 2006, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Lease being filed with the Board under Recordation Number 26680.

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

Grantor: SNC FEEDER 3
17, cours Valmy
Puteaux, 92800
France

Grantee: New Jersey Transit Corporation
One Penn Plaza East
Newark, NJ 07105

Mr. Vernon A. Williams
December 11, 2006
Page 2

A description of the railroad equipment covered by the enclosed document is:

8 passenger railcars bearing New Jersey Transit road numbers within the series 7000, 7002, 7202, and 7502 – 7506, inclusive.

A short summary of the document to appear in the index is:

Memorandum of Security Agreement.

Also enclosed is a check in the amount of \$34.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/sem
Enclosures

DEC 11 '06 -8 3 5 AM

MEMORANDUM OF SECURITY AGREEMENT

SURFACE TRANSPORTATION BOARD

This Memorandum of Security Agreement is made and entered into as of December 10, 2006, between SNC FEEDER 3, a *société en nom collectif*, whose registered office is at 17, cours Valmy, 92800, Puteaux, France, as Lessor ("Lessor"), and NEW JERSEY TRANSIT CORPORATION, a body corporate and politic established in the Executive Branch of the State Government of New Jersey, having an address at One Penn Plaza East, Newark, New Jersey, 07105, as Lessee ("Lessee"), respecting that certain Security Agreement (the "Security Agreement") dated as of December 10, 2006, between Lessor and Lessee.

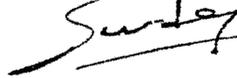
Pursuant to the provisions of the Security Agreement, Lessor and Lessee hereby affirm and acknowledge that:

1. Lessor has agreed to grant the Lessee a first priority security interest in and lien on certain multi-level commuter rail passenger cars bearing the identification numbers as listed on Exhibit A attached hereto (each multi-level commuter rail passenger car referred to as an "Item of Equipment"), all proceeds of each Item of Equipment, and all parts of each Item of Equipment, wherever located, whether now owned or hereafter acquired, in which Lessor shall have or acquire an interest, effective as of the date hereof and subject to the terms of the Security Agreement. As used herein, "Part" means any and all items constituting part of an Item of Equipment, including appliances, components, instruments, parts, appurtenances, accessories and peripheral and miscellaneous equipment (including replacement parts and equipment) that may from time to time be incorporated or installed in or attached to an Item of Equipment.

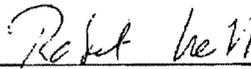
2. Lessor and Lessee further acknowledge and affirm that this Memorandum of Security Agreement is not a summary of the Security Agreement nor a complete recitation of the terms and provisions thereof. Accordingly, Lessor and Lessee hereby agree that in the event of a conflict between this Memorandum of Security Agreement and the provisions of the Security Agreement, the provisions of the Security Agreement shall control.

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

SNC FEEDER 3

By Name: Frédéric Surdon
Title: Attorney-in-Fact

NEW JERSEY TRANSIT CORPORATION

By Name: Robert Webb
Title: Manager, Project Finance

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

On this 8th day of December, 2006, before me personally appeared Frédéric Surdon, to me personally known, who being duly sworn, stated that he is Attorney-in-Fact of SNC FEEDER 3, that said instrument was signed on behalf of said entity with all necessary authority, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said entity.

My Commission Expires: _____
Clark Gregory Chase
No. 02CH6123022
Qualified in New York County
Certificate Filed in New York County
Commission Expires February 28, 2009

(seal)

Clark Gregory Chase
Notary Public

STATE OF _____)
)
COUNTY OF _____) SS:

On this ___ day of December, 2006, before me personally appeared _____, to me personally known, who being duly sworn, stated that he is _____ of NEW JERSEY TRANSIT CORPORATION, that said instrument was signed 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.

My Commission Expires: _____

(seal)

Notary Public

STATE OF _____)
)
COUNTY OF _____) SS:

On this ___ day of December, 2006, before me personally appeared _____, to me personally known, who being duly sworn, stated that s/he is Attorney-in-Fact of SNC FEEDER 3, that said instrument was signed on behalf of said entity with all necessary authority, and s/he acknowledged that the execution of the foregoing instrument was the free act and deed of said entity.

My Commission Expires: _____

(seal)

Notary Public

STATE OF New Jersey ___)
)
COUNTY OF Essex) SS:

On this 7th day of December, 2006, before me personally appeared Robert Webb, to me personally known, who being duly sworn, stated that he is Manager, Project Finance of NEW JERSEY TRANSIT CORPORATION, that said instrument was signed 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.

My Commission Expires: June 16, 2011



Notary Public

JOYCE J. ZUCZEK
NOTARY PUBLIC OF NEW JERSEY
COMMISSION EXPIRES JUNE 16, 2011

EXHIBIT A

<u>Equipment Description</u>	<u>Identification Numbers</u>
Bombardier Multi-Level Commuter Rail Passenger Car	7000
Bombardier Multi-Level Commuter Rail Passenger Car	7002
Bombardier Multi-Level Commuter Rail Passenger Car	7202
Bombardier Multi-Level Commuter Rail Passenger Car	7502
Bombardier Multi-Level Commuter Rail Passenger Car	7503
Bombardier Multi-Level Commuter Rail Passenger Car	7504
Bombardier Multi-Level Commuter Rail Passenger Car	7505
Bombardier Multi-Level Commuter Rail Passenger Car	7506

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated:

12/11/06



Robert W. Alvord