RECORDATION NO. 21801 FILED

NOV 20 '98 11-30 AM

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. 21801-A, B, C, D, E, F, G FILED

NOV 20 '98 11-30 AM

November 20, 1998

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

SURFACE TRANSPORTATION BOARD
NOV 20 11 29 AM '98

Re: Equipment Lot Siemens 1997B-NB

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 Head Lease Agreement, dated December 16, 1997, a primary document as defined in the Board's Rules for the Recordation of Documents, and the following secondary documents related thereto: Memorandum of Lease Agreement, Memorandum of Loan and Security Agreement, Memorandum of Equipment Mortgage, DBX Equipment Mortgage, Assignment of DBX Equipment Mortgage, Memorandum of Head Lessor's Lease Mortgage, and Memorandum of Lessor's Security Agreement, all dated December 16, 1997.

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

Memoranda of Head Lease Agreement,
Equipment Mortgage and Head Lessor's Lease Mortgage

Head Lessor: Tri-County Metropolitan Transportation District of Oregon
4012 S.E. 17th Avenue
Portland, Oregon 97202

Head Lessee: First Security Bank, N.A.
79 South Main Street
Salt Lake City, Utah 84111

Memoranda of Lease Agreement
and Lessor's Security Agreement

Lessor: First Security Bank, N.A.
79 South Main Street
Salt Lake City, Utah 84111

Lessee: Tri-County Metropolitan Transportation District of Oregon
4012 S.E. 17th Avenue
Portland, Oregon 97202

Memorandum of Loan and Security Agreement

Trustee: First Security Bank, N.A.
79 South Main Street
Salt Lake City, Utah 84111

Lender: AIG Financial Products (Jersey) Limited
100 Nyala Farm
Westport, Connecticut 06880

D → DBX Equipment Mortgage

Mortgagor: DB Export-Leasing GmbH
Mainzer Land Strasse 16
D-60325 Frankfurt am Main Germany

Mortgagee: Tri-County Metropolitan Transportation District of Oregon
4012 S.E. 17th Avenue
Portland, Oregon 97202

Assignment of (DBX) Equipment Mortgage

Assignor: Tri-County Metropolitan Transportation District of Oregon
4012 S.E. 17th Avenue
Portland, Oregon 97202

Assignee: First Security Bank, N.A.
79 South Main Street
Salt Lake City, Utah 84111

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

Also enclosed is a check in the amount of $208.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

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

Very truly yours,

Robert W. Alvord

RWA/bg
Enclosures

EXHIBIT A

DESCRIPTION OF EQUIPMENT

SIEMENS 1997B-NB

Description	Identification Number
1 Siemens low floor light rail vehicle, Model SD 600	234

RECORDATION NO. 21801-D. FILED

NOV 20 '98 11-30 AM

EQUIPMENT MORTGAGE
(Siemens Light Rail Vehicles)

Dated as of December 15, 1997

between

DB Export-Leasing GmBH
as Mortgagor

and

Tri-County Metropolitan Transportation District of Oregon
as Mortgagee

EQUIPMENT MORTGAGE
(Siemens Light Rail Vehicles)

This EQUIPMENT MORTGAGE (Siemens Light Rail Vehicles), dated as of December 15, 1997 (this "Mortgage"), between DB Export-Leasing GmBH, a limited liability company organized and existing under the laws of the Federal Republic of Germany with its statutory seat at Frankfurt, Federal Republic of Germany (together with its successors and permitted assigns, the "Mortgagor"), and TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON, a municipal corporation and a public body corporate and politic established under the laws of the State of Oregon (together with its successors and permitted assigns, the "Mortgagee").

W I T N E S S E T H:

WHEREAS, the Mortgagor and the Mortgagee have entered into a certain Equipment Lease Agreement dated as of December 15, 1997 (the "Lease Agreement") pursuant to which the Mortgagor, as lessor, will lease to the Mortgagee certain light rail vehicles; and

WHEREAS, the parties desire by this Mortgage, to provide for the assignment, mortgage and pledge by the Mortgagor to the Mortgagee of the Mortgagor's right, title and interest in and to the Collateral (as hereinafter defined) as security for the Mortgagor's obligations to deliver title to each item of the Collateral to the Mortgagee if, as and when required under the Lease Agreement;

WHEREAS, all things necessary to make this Mortgage the legal, valid and binding obligation of the Mortgagor and the Mortgagee, for the uses and purposes herein set forth, in accordance with its terms, have been done and performed and have happened;

GRANTING CLAUSE

NOW, THEREFORE, THIS EQUIPMENT MORTGAGE WITNESSETH, that, to secure Mortgagor's duties under Clauses 2.3, 14.4(c), 15.3(a), 16.2(b), 16.4, 16.5(b) and 17.2 of the Lease Agreement and including, without limitation, the prompt transfer of title to any item of Collateral by the Mortgagor as and when required pursuant to the Lease Agreement, any claim by the Mortgagee for losses or damages as a result of a breach by the Mortgagor of those duties and in consideration of the premises and of the covenants herein contained (including, without limitation, the covenants of quiet enjoyment contained in the Lease Agreement) and in consideration of the execution and delivery by the Mortgagee of the Lease Agreement, the execution and delivery of which is hereby acknowledged, the Mortgagor does hereby grant, bargain, sell, assign, transfer, mortgage, convey, pledge and confirm, unto the Mortgagee, its successors and assign, as security only, and does hereby grant a security interest in and mortgage lien on, all estate, right, title and interest of the Mortgagor in, to and under the following (collectively, the "Collateral"):

(1) the Siemens light rail vehicles described in Schedule A attached hereto (the "Cars"); and

(2) all accessions, parts, or additions to and all replacements of and substitution for any of the Cars but only to the extent title to such accessions, parts, additions, replacements and substitutions vests in the Mortgagor pursuant to the Lease Agreement; and

(3) all proceeds (including insurance proceeds) from the sale or other disposition of any of the Cars; provided, that by accepting a security interest in proceeds Secured Party does not consent to sale or other disposition of any of the Collateral.

HABENDUM CLAUSE

TO HAVE AND TO HOLD all and singular the aforesaid Collateral unto the Mortgagee, its successors and assigns, as security under this Mortgage, and for the uses and purposes and subject to the terms and provisions set forth in this Mortgage.

This Mortgage, as supplemented from time to time, is intended to and shall create and grant to the Mortgagee a security interest in and mortgage lien on the Collateral, which security interest and mortgage lien shall attach on the Delivery Date or, in the case of replacement Cars included in the Collateral, the date on which such Cars become subject to the Lease Agreement.

The Mortgagor agrees that, at any time and from time to time, upon the written request of the Mortgagee and at the cost and expense of the Mortgagee, the Mortgagor will promptly and duly execute and deliver or cause to be duly executed and delivered to the Mortgagee any and all such further instruments and documents as may be necessary or as the Mortgagee may reasonably request to create, perfect and maintain the security interest and mortgage lien herein provided for in the Collateral, whether now owned or hereafter acquired; provided that the tax and legal position of the Mortgagor under the Lease Agreement and the other Relevant Documents is not adversely affected thereby.

IT IS HEREBY COVENANTED AND AGREED by and among the parties hereto as follows:

Section 1. Definitions. Unless the context otherwise requires, all capitalized terms used herein (including the foregoing recitals) without definition shall have the respective meanings specified in the Lease Agreement for all purposes of this Agreement.

Section 2. Disposition, Substitution and Release of Property in the Collateral During Continuation of the Lease Agreement. So long as the Lease Agreement is in effect:

(a) Modifications. To the extent required or permitted by the Lease Agreement, the Mortgagee shall have the obligation, or the right, to make modifications to each Car as required or permitted by the Lease. Any modification with respect to which title shall vest in the Mortgagor pursuant to of the Lease Agreement shall be subject, immediately and without any further action by any person, to the lien and security interest of this Mortgage. Any modifications with respect to which title shall remain in the Mortgagee shall not become subject to the lien and security interest of this Mortgage.

(b) Substitution Under the Lease Agreement upon an Event of Loss Occurring to Item of Equipment. Upon the occurrence of an Event of Loss with respect to a Car pursuant to Clause 14 of the Lease Agreement, the Mortgagee may substitute a replacement for such Car, upon the deemed substitution thereof pursuant to Clause 14.3 of the Lease Agreement. Any Car so substituted with respect to which title shall become subject to the Lease Agreement shall be subject, immediately and without further action by any Person, to the Lien of this Mortgage. The Mortgagor and the Mortgagee agree concurrently with any such substitution to execute a supplement to this Mortgage with respect to any such Car substituted; provided that, notwithstanding the failure of the Mortgagor and Mortgagee to execute such a supplement to this Mortgage, the sustituted Car shall nevertheless be subject to the lien and security interest of this Mortgage immediately upon such substitution as if originally included hereunder, and without any further act. The Mortgagee agrees for the benefit of the Mortgagor that, upon satisfaction of the conditions to be satisfied pursuant to Clause 14.3 of the Lease Agreement in connection with a Car so substituted, the Mortgagee shall shall be deemed to release all of its right, interest and Lien in and to Car being replaced in connection therewith. The Mortgagee shall execute and deliver to the Mortgagor an instrument evidencing the release of its lien and security interest in and to such replaced Car and shall execute for recording in public offices such instruments in writing as may be necessary or as the Mortgagor shall reasonably request in order to make clear upon public records that such Lien with respect to such replaced Car has been released under applicable law; provided that, notwithstanding the failure of the Mortgagee to execute such an instrument, the replaced Car shall nevertheless be released from the lien and security interest of this Mortgage immediately upon such substitution of the replacement Car therefor without any further act.

Section 3. Defaults and Remedies. (a) Mortgage Events of Default. A "Mortgage Event of Default" shall occur hereunder upon (i) the failure of the Mortgagor to transfer any Car to the Mortgagee or its designee as and when required under the terms of the Lease Agreement and the continuance of such failure for 5 Business Days after the Mortgagee shall have notified the Mortgagor of such failure or (ii) any breach by the Mortgagor of its

covenants of quiet enjoyment contained in the Lease Agreement in accordance with the German Standard and the continuance of such failure for 30 Business Days after the Mortgagee shall have notified the Mortgagor of such failure.

(b) Remedies Available to the Mortgagee. Upon the occurrence of any default by Debtor in respect of its obligations hereunder or the obligations secured hereby and at any time thereafter, Secured Party may exercise any one or more of the rights and remedies afforded under applicable law, including without limitation any or all of the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, and any other rights or remedies that may be available at law, in equity, or otherwise.

Section 4. Satisfaction and Discharge of Agreement. This Mortgage and the Liens created hereby shall, without further action, cease to be of further effect upon the expiration or earlier termination of the Lease Agreement and the satisfaction of all obligations of the Mortgagor to the Mortgagee thereunder, and upon the written request of the Mortgagor, the Mortgagee covenants that it shall, at its own cost and expense, execute such releases as may be reasonably requested by the Mortgagor to evidence the discharge of the Liens created hereby.

Section 5. Miscellaneous. (a) Notices. All notices and other communications provided for herein shall be given in the manner, to the respective addressees and become effective as provided in Clause 30 of the Lease Agreement except to the extent otherwise expressly provided herein.

(b) Governing Law. THIS MORTGAGE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF OREGON.

(c) Execution in Counterparts. This Mortgage may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one instrument.

(d) Severability. Whenever possible, each provision of this Mortgage shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Mortgage shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Mortgage.

(e) Amendments, etc.. The provisions of this Mortgage may be changed, modified or amended only by means of a writing executed by the Mortgagor and Mortgagee. The provisions of this Mortgage may be terminated or waived only by means of a writing signed

by the Mortgagee Any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.

(f) Successors and Assigns. This Mortgage shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of, and shall be enforceable by, the parties hereto and their respective successors and assigns. The Mortgagee shall have the right to assign its interests under this Mortgage (inlcuding without limitation the lien and security interest in the Collateral), whether such assignment is absolute or for security purposes.

(g) Headings. The headings of the Sections of this Mortgage are inserted for purposes of convenience only and shall not be construed to affect the meaning or construction of any of the provisions hereof.

IN WITNESS WHEREOF, the Mortgagor and the Mortgagee have caused this Mortgage to be duly executed by their respective officers thereunto duly authorized, as of the day and year first above written.

DB Export-Leasing GmBH,
As Mortgagor

By: _____

Name: Häfner Fricke
Title: Authorized Signatory Managing Director

[Note: Add notary acknowledgement of signature.]

[Equipment Mortgage]

TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON,
as Mortgagee

By: Bruce Harder
Name: Bruce Harder
Title: Executive Director, Finance and Administration

STATE OF OREGON)
)ss:
County of Multnomah)

The foregoing instrument was acknowledged before me this ~~_____ day of December, 1997,~~ 13th day of March, 1998, by Bruce Harder, the Executive Director of Finance and Administration of the Tri-County Metropolitan Transportation District of Oregon, for and on behalf of the Tri-County Metropolitan Transportation District of Oregon.

Sandra D. Fairley
Notary Public for the State of Oregon
My Commission Expires: 12-30-2001

OFFICIAL SEAL
SANDRA D FAIRLEY
NOTARY PUBLIC–OREGON
COMMISSION NO. 308049
MY COMMISSION EXPIRES DEC 30, 2001

CERTIFICATE OF TRUE COPY

I, Bruce Harder, Executive Director, Finance and Administration, Tri-County Metropolitan Transportation District of Oregon, do hereby certify that the attached Equipment Mortgage (Siemens Light Rail Vehicles) dated as of December 15, 1997 (the "Mortgage"), is a true and correct copy of the originally executed Mortgage and has not been amended or supplemented since the date thereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 19th day of November, 1998.

Bruce Harder

Bruce Harder, Executive Director, Finance and Administration

SUBSCRIBED AND SWORN TO before me on November 19, 1998.

OFFICIAL SEAL
SONJA S. HAAS
NOTARY PUBLIC-OREGON
COMMISSION NO. 056405
MY COMMISSION EXPIRES SEPT. 24, 2000

Sonja S Haas

Notary Public for Oregon
My commission expires: 9/24/2000

AFFIDAVIT OF FILING IRS FORM 8038