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
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November 20, 1998

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

RECEIVED
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SURFACE TRANSPORTATION BOARD

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

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

E 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-E FILED

NOV 20 '98 11-30 AM

ASSIGNMENT

OF

EQUIPMENT MORTGAGE

THIS ASSIGNMENT OF EQUIPMENT MORTGAGE is made this 15th day of December, 1997, by the TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON ("Tri-Met") to FIRST SECURITY BANK, N.A., not in its individual capacity but solely as Trustee, and its successors and assigns ("Trustee").

RECITALS:

(A) Reference is made to that certain Equipment Lease Agreement dated December 15, 1997 (the "Lease Agreement") between DB Export-Leasing GmbH, as lessor (the "Lessor"), and Tri-Met, as lessee, pursuant to which Tri-Met is leasing certain light rail vehicles (as more particularly defined in the Lease Agreement, the "Cars"). In order to secure the Lessor's obligations under certain provisions of the Lease Agreement, the Lessor has executed and delivered to Tri-Met that certain Equipment Mortgage dated as of December 15, 1997 (the "Equipment Mortgage") pursuant to which the Lessor has granted Tri-Met a mortgage and security interest in the Cars.

(B) Reference is made to that certain Participation Agreement (Equipment Lot Siemens 1997B-NB) dated as of December 15, 1997 (the "Participation Agreement") among Tri-Met, as Head Lessor and Lessee, NationsBank, National Association., as Beneficiary, AIG Financial Products (Jersey) Limited, as Lender, and the Trustee. In accordance with the Participation Agreement, Tri-Met, as sublessor, is subleasing the Cars listed on Schedule I attached hereto (the "NB Cars") to the Trustee, as sublessee, pursuant to that certain Head Lease (Equipment Lot Siemens 1997B-NB) dated as of December 15, 1997 (the "Head Lease"), and the Trustee, in turn, is subleasing the NB Cars back to Tri-Met pursuant to that certain Lease Agreement (Equipment Lot Siemens 1997B-NB) dated as of December 15, 1997

(the "Second Lease Agreement") between the Trustee, as sub-sublessor, and Tri-Met, as sub-sublessee. Pursuant to the Participation Agreement, the Trustee is entering into that certain Trust Agreement (Equipment Lot Siemens 1997B-NB) dated as of December 15, 1997 with the Beneficiary pursuant to which the Trustee will hold its interests in the Head Lease and related agreements for the benefit of the Beneficiary.

NOW, THEREFORE, Tri-Met agrees as follows:

1. DEFINITIONS; ASSIGNMENT.

1.1 All terms used in this Assignment and not otherwise defined herein shall have the respective meanings assigned thereto in the Equipment Mortgage and Security Agreement.

1.2 As security for the payment and performance by Tri-Met of its obligations under the Second Lease Agreement, Tri-Met hereby assigns and pledges to Trustee all right, title and interest of Tri-Met to, in and under the Equipment Mortgage and (x) any and all proceeds thereof and (y) on a non-exclusive basis, Tri-Met's rights (i) under Section 15.2 of the Lease Agreement to cause a Lessee Transfer (it being understood and agreed that (A) the Trustee's exercise of such rights shall result in a transfer of title to the Cars to Tri-Met and not any other person and (B) the Trustee shall not exercise such rights if Tri-Met has theretofore or is concurrently exercising such rights) and (ii) under Section 16.4 of the Lease Agreement to exercise its Pre-Emption Right (but only, in the case of this subclause (ii), (A) if Tri-Met had not otherwise exercised such Pre-Emption Right or its rights to substitute the Cars under Section 24(r) of the Head Lease Agreement and (B) on and after the date which is 15 days after the first date on which the Pre-Emption Right may be exercised); subject, in each case, to the terms and provisions hereof and of the Equipment Remedies Agreement (as defined in the Second Lease Agreement).

2. WARRANTIES OF TRI-MET. Tri-Met warrants to Trustee as follows:

2.1 Tri-Met is the absolute owner of the rights and interests conveyed and granted to Tri-Met pursuant to the Equipment Mortgage.

2.2 Tri-Met has not heretofore assigned or granted a security interest in the rights and interests conveyed and granted to Tri-Met under the Equipment Mortgage, or any right or interest therein or thereto.

3. COVENANTS OF TRI-MET. Tri-Met covenants with Trustee as follows:

3.1 Tri-Met will strictly and promptly perform each of the terms, conditions, covenants and agreements to be performed by Tri-Met contained in the Equipment Mortgage.

3.2 Tri-Met will not, without Trustee's prior written consent, now or at any

time sell, pledge, transfer, assign, modify or terminate or offer to sell or otherwise transfer or encumber Tri-Met's right, title and interest to, in and under the Equipment Mortgage with respect to the NB Cars or any proceeds thereof, except as expressly contemplated by the Equipment Mortgage or the Equipment Remedies Agreement. Any sale, assignment, pledge, transfer, modification or termination without such consent shall be null and void.

3.3 Tri-Met will promptly notify Trustee of: (i) any notice of claim, demand or offset pertaining to the NB Cars under the Equipment Mortgage; and (ii) any default by the Lessor in respect of its obligations under the provisions of the Lease that are secured by the Equipment Mortgage; and (iii) any material loss with respect to the NB Cars.

4. ENFORCEMENT.

4.1 Prior to the occurrence and continuance of an Event of Default under and as defined in the Second Lease Agreement, Tri-Met shall be entitled to enforce the Equipment Mortgage against the Lessor and the Cars, provided that:

4.1.1 Tri-Met shall give prior written notice to the Trustee of the occurrence of such Event of Default (if applicable) and Tri-Met's intention to take action to enforce the Equipment Mortgage; and

4.1.2 Tri-Met will coordinate any such enforcement action with the Trustee in order to preserve and protect the Trustee's interest in the NB Cars pursuant to this Assignment and the Equipment Mortgage, subject, in any event, to the provisions of the Equipment Remedies Agreement.

4.2 Upon the occurrence and continuance of an Event of Default under and as defined in the Second Lease Agreement, the Trustee shall, subject, in any event, to the provisions of the Equipment Remedies Agreement, have the sole right to enforce the Equipment Mortgage against the Lessor and the NB Cars, and in the event Tri-Met has theretofore instituted actions to enforce the Equipment Mortgage:

4.2.1 Tri-Met shall cooperate with the Trustee to substitute the Trustee for Tri-Met in all respects in all such enforcement proceedings; and

4.2.2 prior to such substitution or if, for any reason, such substitution cannot be accomplished in any respect, Tri-Met will follow the lawful directions and instructions of the Trustee in the conduct of such enforcement proceedings.

4.3 In connection with the enforcement by the Trustee of the Equipment Mortgage as provided above, the Trustee shall, subject, in any event, to the provisions of the Equipment Remedies Agreement, be authorized and empowered:

4.3.1 to execute, sign and enforce any and all claims, instruments, receipts, checks, drafts, or warrants issued in payment or performance thereof;

4.3.2 to settle or compromise any and all claims arising under the Equipment Mortgage;

4.3.3 execute and deliver its release and acquittance of the Equipment Mortgage;

4.3.4 to file any claim or claims; and

4.3.5 to take any lawful action or institute or take part in any proceedings which, in the discretion of Trustee, may seem to be necessary or advisable.

4.4 Upon payment and performance in full of all of Tri-Met's obligations under the Second Lease Agreement, the Trustee will release all of its rights hereunder, including execution of appropriate instruments to release its interests hereunder, within 10 days after receiving a written request from Tri-Met.

5. OBLIGATIONS OF TRUSTEE. It is expressly understood and agreed that Trustee shall not be required or obligated in any manner to make any demand or take any action to collect or enforce the performance of any obligation of the Lessor which may have been assigned to it or to which it may have been entitled under this Assignment. This Assignment is not a delegation or assignment to Trustee of Tri-Met's duties or obligations under or in connection with the Equipment Mortgage or the Lease Agreement. Trustee's acceptance of this Assignment does not constitute a promise by Trustee nor does it in any way obligate Trustee to perform any of Tri-Met's duties or obligations under or in connection with the Equipment Mortgage or the Lease Agreement.

6. ATTORNEYS' FEES AND COSTS. Tri-Met agrees to reimburse Trustee for all costs, expenses, reasonable attorneys' fees that Trustee may incur in connection with the realization or enforcement of the Equipment Mortgage as provided herein, with or without litigation, including without limitation any costs, expenses and fees incurred: (a) in the exercise of any foreclosure, collection or other remedy; (b) on appeal; (c) in any petition for review; (d) in any arbitration or mediation; (e) in any action contesting or seeking to restrain, enjoin, stay, or postpone the exercise of any remedy in which Trustee prevails; (f) in any bankruptcy, probate, receivership or other proceeding involving Tri-Met or the Equipment Mortgage and (g) in connection with all negotiations, documentation and other actions relating to any workout, compromise, settlement or satisfaction of the rights and interests of Tri-Met under the Equipment Mortgage, subject, in each case, to the exclusions set forth in Section 15(c) of the Participation Agreement.

7. PERFECTION OF SECURITY INTEREST. Tri-Met shall deliver to Trustee an executed original of the Equipment Mortgage. Tri-Met agrees to cause a copy of this Assignment to be filed pursuant to 49 U.S.C. §11301. In addition, Tri-Met agrees to execute and authorizes Trustee to execute and file financing statements signed only by Trustee with respect to the Equipment Mortgage, agrees that any filing fees incurred may be added to the obligations secured by this Assignment, including filing fees for continuation statements, or assignments of financing statements. A copy of this Assignment may be filed as a financing statement. Tri-Met agrees, in addition, to execute and deliver all other certificates, forms or documents required by Trustee which may be necessary to assure perfection of the security interests of Trustee or to further effect the purposes of this Assignment.

8. RIGHT TO INSPECT. Trustee, its agents, accountants and attorneys may at reasonable times and upon reasonable notice inspect all records of Tri-Met's relating to the Equipment Mortgage, any proceeds thereof and the NB Cars, subject, in each case, to the provisions of the Second Lease Agreement. Trustee at its expense may make reasonable extracts of said papers and documents.

9. NOTICES. Any notices required by this Assignment shall be deemed sufficient in the manner and at the address specified in the Participation Agreement. Notice of the acceptance of this Assignment by Trustee is hereby waived by Tri-Met.

10. CONSTRUCTION. THIS ASSIGNMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF OREGON. Whenever possible, each provision of this Assignment shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Assignment shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating any of the remainder of such provision or the remaining provisions of this Assignment.

11. SUCCESSORS. This Agreement and all rights and liabilities hereunder shall inure to the benefit of and be binding upon Trustee and Tri-Met, their respective successors, assigns, heirs and legal representatives.

IN WITNESS WHEREOF, Tri-Met has caused this Assignment to be executed on the date first above written.

TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON

By: Bruce Harder

Title: Executive Director of Finance and Administration

STATE OF NEW YORK)
)ss:
COUNTY OF NEW YORK)

On this 16th day of December, 1997, before me personally appeared Bruce Harder, to me personally known, who being by me duly sworn, said that he is the Executive Director of Finance and Administration of the Tri-County Metropolitan Transportation District of Oregon, that said instrument was signed on behalf of said entity 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 entity.

Gerry O'Leary

Notary Public

[NOTARIAL SEAL]

My Commission Expires: Jan 8, 1999

GERRY O'LEARY
Notary Public, State of New York
No. 01OL5035814
Qualified in New York County
Commission Expires ~~Nov. 14, 1998~~
Jan 8, 1999

Schedule I
to the Assignment of
Equipment Mortgage

DESCRIPTION OF NB CARS
(Siemens 1997B-NB)

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