RECORDATION NO 21754 FILED

OCT 30 '98 9-44 AM

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RECORDATION NO 21754-ABC FILED

OCT 30 '98 9-44 AM

FILE NUMBER
907,355-011

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October 29, 1998

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

Re: WMATA 1998-1stM-B4 Trust

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of Section 11301, title 49 of the United States Code are an original and copy of a (1) Short Form of Lease Agreement, (2) Short Form of Sublease Agreement and (3) Short Form of Equipment Mortgage & Pledge Agreement, each dated as of October 29, 1998. These are all primary documents as defined in the Board's Rules for the recordation of documents.

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

Short Form of Lease Agreement

Lessor: Washington Metropolitan Area Transit Authority ("WMATA")
600 Fifth Street N.W.
Washington, DC 20001

Counterparts - 2 - 2

NY1-0640583.01

Lessee: WMATA 1998-1stM-B4 Trust
c/o Wilmington Trust Company
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890

A → **Short Form of Sublease Agreement**

Lessor: WMATA 1998-1stM-B4 Trust
c/o Wilmington Trust Company
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890

Lessee: WMATA
600 Fifth Street N.W.
Washington, DC 20001

Short Form of Equipment Mortgage & Pledge Agreement

Mortgagor: WMATA
600 Fifth Street N.W.
Washington, DC 20001

Mortgagee: WMATA 1998-1stM-B4 Trust
c/o Wilmington Trust Company
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890

A description and the number of the railcars covered by the enclosed documents is set forth on Exhibit A attached to the above-listed Short Form Agreements.

Additionally, I have enclosed for recordation an original and one copy of a Short Form of Loan and Security Agreement, dated as of October 29, 1998, which is a secondary document and is related to the above-listed documents.

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

Short Form of Loan and Security Agreement

Assignor:

WMATA 1998-1stM-B4 Trust
c/o Wilmington Trust Company
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890

Assignee:

AIG-FP Funding (Cayman) Limited
c/o Maples & Calder
P.O. Box 309
Ugland House
South Church Street
Grand Cayman, Cayman Islands
British West Indies

Please cross-reference the Loan and Security Agreement under the names Washington Metropolitan Area Transit Authority and WMATA 1998-1stM-B4 Trust.

A check in the amount of $130.00 is enclosed with respect to the above documents.

Please stamp and return original documents to Mr. Richard Vorosmarti of the Federal Research Corporation, 400 Seventh St., N.W., Suite 101, Washington, D.C. 20004. WMATA has appointed Mr. Vorosmarti as its attorney-in-fact for the purpose of making this filing.

Sincerely,

John A. Gliedman
for O'MELVENY & MYERS LLP

RECORDATION NO. 21754-A FILED

OCT 30 '98 9-44 AM

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

O'Melveny & Myers LLP
153 East 53rd Street
New York, New York 10022

SHORT FORM OF SUBLEASE

This Short Form of Sublease is made and dated as of the 29th day of October, 1998, by and among, **WMATA 1998-1stM-B4 TRUST** ("**Sublessor**"), a Delaware statutory business trust, having an address in care of Wilmington Trust Company, 1100 North Market Street, Wilmington, Delaware 19890-0001, and **WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY**, a body corporate and politic created and existing under and by virtue of a compact between the State of Maryland, the Commonwealth of Virginia and the District of Columbia and having an address at 600 Fifth Street, NW, Washington, DC 20001 ("**Sublessee**").

A. Sublessor is the owner of a leasehold interest in those certain Railway Cars described in Exhibit A attached hereto and incorporated herein by reference (the **"Railway Cars"**).

B. Sublessor desires to sublease the Railway Cars to Sublessee, and Sublessee desires to sublease the Railway Cars from the Sublessor, on the terms and conditions set forth in that certain sublease between Sublessor and Sublessee of date even herewith (the "**Sublease**"), which by this reference is incorporated herein and made a part hereof as if set forth at length.

C. Sublessor and Sublessee desire to record this Short Form of Sublease with the U.S. Surface Transportation Board to give constructive notice of Sublessee's interest in the Railway Cars.

D. Attached hereto as Exhibit B is a Sublease Supplement between Sublessor and Sublessee of date even herewith, which is incorporated by reference herein and made a part hereof as if set forth at length.

In consideration of the foregoing recitals, and for other good and allowable consideration, the receipt and sufficiency of which are hereby acknowledged, Sublessee and Sublessor agree as follows:

1. **Property Subleased**. Sublessor hereby leases to Sublessee, and Sublessee hereby subleases from Sublessor, the Railway Cars for the term, and on the covenants and conditions set forth in the Sublease, which Sublease is by this reference incorporated herein and made a part hereof as fully as if set forth herein at length.

2. **Term of Sublease**. The above-described sublease term is for the period commencing on October 29, 1998, and ending on the Basic Sublease Term Expiration Date unless otherwise renewed.

3. **Conflict With Sublease**. In the event of any conflict between this Short Form of Sublease and the Sublease, the terms, covenants and conditions of the Sublease shall control.

4. **Counterparts**. This Short Form of Sublease may be executed in one or more counterparts, but there shall only be one original. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached the same instrument, which shall be the original of this Short Form of Sublease.

IN WITNESS WHEREOF, the Sublessee and Sublessor have executed this Short Form of Sublease as of the date first above written.

Sublessor:

WMATA 1998-1stM-B4 TRUST, by and through Wilmington Trust Company, not in its individual capacity, but solely as Trustee,

Witness

By: _____
Name: *W. CHRIS SPONENBERG*
Title: *ASSISTANT VICE PRESIDENT*

Witness

By: _____
Name: DONALD G. MACKELCAN
Title: ASSISTANT VICE PRESIDENT

Sublessee:

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

Witness

By: _____
Name:
Title:

Witness

By: _____
Name:
Title:

Acknowledgment
Pursuant to 49 C.F.R. § 1177.3

I, W. Chris Sponenberg, certify that I am Assistant Vice President of Wilmington Trust Company, the Trustee of WMATA 1998-1stM-B4 Trust, a Delaware statutory business trust, that the instrument was signed and sealed on behalf of the Trust by authority of its Trustee, and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the Trust. I further declare under penalty of perjury that the foregoing is true and correct.

Executed on October ___, 1998.

IN WITNESS WHEREOF, the Sublessee and Sublessor have executed this Short Form of Sublease as of the date first above written.

Sublessor:

WMATA 1998-1stM-B4 TRUST, by and through Wilmington Trust Company, not in its individual capacity, but solely as Trustee,

_____
Witness

By:_____
Name:
Title:

_____
Witness

By:_____
Name:
Title:

Sublessee:

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

Witness

By:_____
Name: ALVIN W. DOEHRING
Title: TREASURER

_____
Witness

By:_____
Name:
Title:

Acknowledgment
Pursuant to 49 C.F.R. § 1177.3

I, Harold Bartlett certify that I am Secretary of Washington Metropolitan Area Transit Authority ("WMATA"), a body corporate and politic created and existing under and by virtue of a compact between the State of Maryland, the Commonwealth of Virginia and the District of Columbia, that the seal affixed to the foregoing instrument is the seal of WMATA, that the instrument was signed and sealed on behalf of WMATA by authority of its Board of Directors, and that I acknowledge that the execution of the foregoing instrument was the free act and deed of WMATA. I further declare under penalty of perjury that the foregoing is true and correct.

Executed on October ____, 1998.

Harold M. Bartlett

[Short Form Sublease (1998-1stM-B4)]

EXHIBIT A

The First National Bank of Maryland

Trust 1998-1stM-B4

	Equipment Description	Car Serial # (per Married Pair)
2	Breda 4000 Passenger Rail Cars	4072 & 4073
2	Breda 4000 Passenger Rail Cars	4074 & 4075
2	Breda 4000 Passenger Rail Cars	4076 & 4077
2	Breda 4000 Passenger Rail Cars	4078 & 4079
2	Breda 4000 Passenger Rail Cars	4080 & 4081
2	Breda 4000 Passenger Rail Cars	4082 & 4083
2	Breda 4000 Passenger Rail Cars	4084 & 4085
2	Breda 4000 Passenger Rail Cars	4086 & 4087
2	Breda 4000 Passenger Rail Cars	4088 & 4089
2	Breda 4000 Passenger Rail Cars	4090 & 4091
2	Breda 4000 Passenger Rail Cars	4092 & 4093
2	Breda 4000 Passenger Rail Cars	4094 & 4095

TOTAL: 24

10/27/98 1:42 PM

EXHIBIT B

SUBLEASE SUPPLEMENT (1998-1stM-B4)

THIS SUBLEASE SUPPLEMENT (1998-1stM-B4) dated October 29, 1998, between WMATA 1998-1stM-B4 TRUST (the "Sublessor"), and WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY (the "Sublessee");

WHEREAS, the Sublessor and the Sublessee have heretofore entered into the Sublease Agreement, dated as of October 29, 1998 (the "Sublease"), which Sublease provides for the execution and delivery of Sublease Supplements in substantially the form hereof for the purpose of subleasing the Items of Equipment when delivered by the Sublessor to the Sublessee in accordance with the terms thereof. All of the terms and provisions of the Sublease are hereby incorporated by reference in this Sublease Supplement to the same extent as if fully set forth herein (including those terms providing that capitalized terms used therein and not otherwise defined therein shall have the meanings given such terms in Appendix A to the Participation Agreement, and the rules of usage set forth therein shall apply thereto).

NOW, THEREFORE, in consideration of the premises and other good and sufficient consideration, and pursuant to Section 2 of the Sublease, the Sublessor hereby delivers and subleases to the Sublessee, and the Sublessee hereby accepts and subleases from the Sublessor, under the Sublease as herein supplemented, the Items of Equipment described (both by car number and Equipment Value) in Schedule A hereto.

To the extent, if any, that this Sublease Supplement constitutes chattel paper (as such term is defined in the Uniform Commercial Code as in effect in any applicable jurisdiction), no security interest in this Sublease Supplement may be created through the transfer or possession of any counterpart other than the original counterpart containing the receipt therefor executed by the Lender on the signature page thereof.

THIS SUBLEASE SUPPLEMENT SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW BUT, TO THE FULLEST EXTENT PERMITTED BY LAW, EXCLUDING ALL OTHER CHOICE-OF-LAW AND CONFLICTS-OF-LAWS RULES) PROVIDED, THAT THE POWERS AND LEGAL CAPACITY OF THE SUBLESSEE SHALL BE GOVERNED BY AND CONSTRUED UNDER THE COMPACT.

IN WITNESS WHEREOF, the Sublessor and the Sublessee have each caused this Sublease Supplement to be duly executed by its authorized officer on the day and year first above written.

SUBLESSOR:

WMATA 1998-1stM-B4 TRUST, by and through Wilmington Trust Company, not in its individual capacity, but solely as Trustee

By:_____
Name:
Title:

SUBLESSEE:

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

By:_____
Name:
Title: