

RECORDATION NO. 24616-A FILED

SEP 29 '03

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ALVORD AND ALVORD
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SURFACE TRANSPORTATION BOARD

OF COUNSEL
URBAN A. LESTER

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

September 30, 2003

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 Loan and Security Agreement (2003-B), dated as of September 30, 2003, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Lease Agreement which is being filed with the Board under Recordation Number _____.

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

Trust: MTA 2003-B Trust
c/o Wilmington Trust Company, not in its
individual capacity, but solely as Trustee under
the Trust Agreement (2003-B)
Rodney Square North
1100 North Market Street
Wilmington, DE 19890-1605

Lender and Agent: 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

Mr. Vernon A. Williams
June 2, 2003
Page 2

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

All of MTA 2003-B Trust's rail equipment now owned or hereafter acquired, including, but not limited to, 58 railcars bearing Metropolitan Transportation Authority reporting marks and road numbers within the series 6896 - 7130 as more particularly described in the schedule attached to the document.

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

Memorandum of Loan and Security Agreement (2003-B).

Also enclosed is a check in the amount of \$30.00 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/anm
Enclosures

MEMORANDUM OF LOAN AND SECURITY AGREEMENT (2003-B) dated as of September 30, 2003, between MTA 2003-B Trust (the "Trust") and AIG-FP FUNDING (CAYMAN) LIMITED, as Lender and Agent. Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in Appendix A to the Participation Agreement (2003-B) dated as of September 30, 2003 among Metropolitan Transportation Authority, as Lessee, MTA 2003-B Trust, as Lessor, Banc of America Leasing & Capital, LLC, as Equity Investor, AIG-FP Funding (Cayman) Limited, as Lender, and Wilmington Trust Company, as Trustee and in its individual capacity only to the extent expressly set forth therein.

WHEREAS, the Trust, the Lender and the Agent have entered into that certain Loan and Security Agreement (2003-B) dated as of September 30, 2003 (the "Loan Agreement") (the terms of which are incorporated herein by reference), whereby the Trust granted, bargained, sold, assigned, transferred, conveyed, mortgaged, warranted, pledged and confirmed unto the Agent, on behalf and for the benefit of the Lender, its successors and assigns, a first priority security interest in, Lien on, and pledge of, all right, title and interest of the Trust in, to and under, the following described property, rights and privileges described in clauses (A) - (H) below, whether now held or hereafter acquired, other than Excepted Property (such property, rights and privileges as are conveyed pursuant to clauses (A) - (H) below, but in any event and always excluding Excepted Property, being hereinafter referred to as the "Collateral"):

- (A) all of the Trust's right, title and interest now held or hereafter acquired in and to the Items of Equipment;
- (B) the Bill of Sale, the Assignment of Warranties, the Lease, the Lease Supplement, the Participation Agreement (except all representations and covenants made by the Agent and the Lender therein) (collectively, the "Loan Estate Documents"), including all amounts of Lease Rent and Supplemental Rent and payments of any kind thereunder including all ancillary rights thereto, including without limitation, Termination Value, Fair Market Sales Value, Fair Market Rental Value, Stipulated Loss Value, Agreed Purchase Option Price, all other amounts payable under the Loan Estate Documents, insurance proceeds and condemnation, requisition and other awards and payments of any kind for or with respect to the Equipment (including proceeds and payments received pursuant to any sale of the Equipment under Section 14 or 15 of the Lease or pursuant to the exercise of any of the remedies provided in Section 17 of the Lease);
- (C) all rights of the Trust with respect to or arising out of any Loan Estate Document to exercise any election or option or to give or receive any notice, consent, waiver or approval or to take any other action under any Loan Estate Document or to accept any surrender or redelivery of any Item of Equipment or any Part thereof, as well as all rights, powers and remedies of the Trust whether acting under any

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SUBURBAN TRANSPORTATION BOARD

Loan Estate Document or by statute or at law or in equity, or otherwise, arising out of any Event of Default;

- (D) all moneys and securities relating to or arising out of the Loan Estate Documents that are now or hereafter required to be paid to, or deposited with, the Lender by or for the account of the Trust or the Lessee pursuant to the terms of any Loan Estate Document;
- (E) all rents, issues, profits, revenues and other income of the property subjected or required to be subjected to the Lien of the Loan Agreement, including, without limitation, all payments or proceeds payable to the Trust after termination of the Lease with respect to Equipment as a result of the sale, lease or other disposition thereof, and all estate, right, title and interest of every nature whatsoever of the Trust in and to the same and every part thereof;
- (F) all other property of every kind and description and interests therein now held or hereafter acquired by the Trust pursuant to any term of any Loan Estate Document, wherever located, and the Agent is authorized by the Loan Agreement to receive any such property subject to and in accordance with the terms of the Loan Agreement;
- (G) all proceeds of the foregoing of whatever kind or nature, including all claims against third parties for destruction, loss or damage to any of the foregoing or otherwise; and
- (H) all estate, right, title and interest now held or hereafter acquired by the Trust in, to and under the Debt Payment Undertaking Agreement, any Acceptable Substitute Credit Protection substituted therefor and the Debt Payment Undertaking Guaranty (including any replacement thereof) (the "Special Collateral Documents" and together with the Loan Estate Documents, the "Collateral Documents"), including, without limitation, (a) the right of the Trust to receive payment of any and all amounts or other sums of any kind payable thereunder or in respect thereof as well as all rights of the Trust to enforce payment of any such amounts or sums, (b) the right of the Trust to exercise any election or option or to make any decision or determination or to give or receive any notice, consent, waiver or approval under the Special Collateral Documents, (c) the right of the Trust to take any other action under or in respect of the Special Collateral Documents as well as all rights, powers and remedies of the Trust whether acting under the Special Collateral Documents or by statute or at law or in equity or otherwise arising out of any default under the Special Collateral Documents, (d) all other property of every kind and description and interests therein now held or hereafter acquired by the Trust pursuant to any term of the Special Collateral Documents wherever located, and the Agent is authorized by the Loan Agreement to receive any such property subject to and in accordance with the terms of the Loan Agreement and (e) all proceeds of the foregoing of whatever kind or nature, including without limitation all claims against third parties for destruction, loss or damage to any of the foregoing or otherwise.

BUT EXCLUDING, HOWEVER, from the Collateral subject to the foregoing Granting Clause (i) all Excepted Property and (ii) any payments or amounts which have been distributed to the Trust or any other Person in accordance with the provisions of the Loan Agreement, AND SUBJECT TO Sections 2.02, 3.05 and 8.01 of the Loan Agreement and the provisions with respect to Excepted Rights set forth in Section 5.05 of the Loan Agreement;

WHEREAS, concurrently with the delivery hereof, the Trust is delivering to the Agent in the State of New York the originally executed counterparts of the Lease and the Lease Supplement and the Debt Payment Undertaking Agreement (to each of which documents a chattel paper receipt is attached); and

WHEREAS, this memorandum may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one such memorandum.

IN WITNESS WHEREOF, the parties hereto wish to show for the public record the assignment and mortgage of and security interest in the aforesaid property in favor of the Agent and the Lender, and accordingly have caused this memorandum to be executed by their officers thereunto duly authorized, as of the date first above written.

MTA 2003-B TRUST

BY: WILMINGTON TRUST COMPANY, not in its individual capacity, but solely as Trustee under the Trust Agreement (2003-B)

By:  _____
Name: **Kathleen A. Pedelini**
Title: **Financial Services Officer**

AIG-FP FUNDING (CAYMAN) LIMITED,
as Lender and Agent

By: _____
Name:
Title:

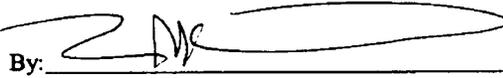
IN WITNESS WHEREOF, the parties hereto wish to show for the public record the assignment and mortgage of and security interest in the aforesaid property in favor of the Agent and the Lender, and accordingly have caused this memorandum to be executed by their officers thereunto duly authorized, as of the date first above written.

MTA 2003-B TRUST

BY: WILMINGTON TRUST COMPANY, not in its individual capacity, but solely as Trustee under the Trust Agreement (2003-B)

By: _____
Name:
Title:

AIG-FP FUNDING (CAYMAN) LIMITED,
as Lender and Agent

By: 
Name: LEE M. ARTHURS
Title: AUTHORIZED SIGNATORY

STATE OF Delaware)
)ss.:
COUNTY OF New Castle)

On this 20th day of September, 2003, before me personally appeared **Kathleen A. Pedolini**, to me personally known, who, by me being duly sworn, says that he/she is the Financial Services Officer of Wilmington Trust Company, that the foregoing instrument was signed on behalf of MTA 2003-B Trust by Wilmington Trust Company, as Trustee under the Trust Agreement (2003-B), and he/she acknowledges that the execution of the foregoing instrument was the free act and deed of said MTA 2003-B Trust and Wilmington Trust Company.

My Commission Expires: _____

Heather L. Maier
Notary Public
HEATHER L. MAIER
NOTARY PUBLIC - DELAWARE
My Commission Expires June 12, 2005

NYMTA / Bank of America

AAA Cost Per Car: \$2,152,000
Number of Cars: 58
Total Transaction Value: \$124,816,000

CAR NUMBERS	Model	NYCT CONDITIONAL ACCEPTANCE DATE
6896	R-142	1/16/2003
6897	R-142	1/16/2003
6898	R-142	1/16/2003
6899	R-142	1/16/2003
6900	R-142	1/16/2003
6906	R-142	1/16/2003
6907	R-142	1/16/2003
6908	R-142	1/16/2003
6909	R-142	1/16/2003
6910	R-142	1/16/2003
6926	R-142	12/18/2002
6927	R-142	12/18/2002
6928	R-142	12/18/2002
6929	R-142	12/18/2002
6930	R-142	12/18/2002
6936	R-142	12/24/2002
6937	R-142	12/24/2002
6938	R-142	12/24/2002
6939	R-142	12/24/2002
6940	R-142	12/24/2002
7041	R-142	1/29/2003
7042	R-142	1/29/2003
7043	R-142	1/30/2003
7044	R-142	1/30/2003
7045	R-142	1/31/2003
7091	R-142	12/18/2002
7092	R-142	12/18/2002
7093	R-142	12/18/2002
7094	R-142	12/18/2002
7095	R-142	12/18/2002
7096	R-142	12/24/2002
7097	R-142	12/24/2002
7098	R-142	12/24/2002
7099	R-142	12/24/2002
7100	R-142	12/24/2002
7101	R-142	12/31/2002

7102	R-142	12/31/2002
7103	R-142	12/31/2002
7104	R-142	12/31/2002
7105	R-142	12/31/2002
7106	R-142	1/29/2003
7107	R-142	1/29/2003
7108	R-142	1/29/2003
7111	R-142	12/31/2002
7112	R-142	12/31/2002
7113	R-142	12/31/2002
7114	R-142	12/31/2002
7115	R-142	12/31/2002
7121	R-142	1/23/2003
7122	R-142	1/23/2003
7123	R-142	1/23/2003
7124	R-142	1/23/2003
7125	R-142	1/23/2003
7126	R-142	1/23/2003
7127	R-142	1/23/2003
7128	R-142	1/23/2003
7129	R-142	1/23/2003
7130	R-142	1/23/2003

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: _____

9/26/03



Robert W. Alvord