

ALVORD AND ALVORD
ATTORNEYS AT LAW
1050 SEVENTEENTH STREET, N.W.
SUITE 301
WASHINGTON, D.C.
20036
—
(202) 393-2266
FAX (202) 393-2156
E-MAIL alvordlaw@aol.com

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

24403
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SURFACE TRANSPORTATION BOARD
OF COUNSEL
URBAN A. LESTER

April 10, 2003

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

Re: SEPTA (2003-1)

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) copies of a Memorandum of Head Lease Agreement (2003-1), dated as of April 9, 2003, a primary document as defined in the Board's Rules for the Recordation of Documents.

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

Head Lessor: Southeastern Pennsylvania
Transportation Authority
SEPTA Treasury and Finance
1234 Market Street, 10th Floor
Philadelphia, PA 19107

Head Lessee: SEPTA Rail Statutory Trust 2002-1
c/o Wilmington Trust Company
1100 North Market Street
Wilmington, Delaware 19890

Mr. Vernon A. Williams
April 10, 2003
Page Two

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

34 railcars bearing SEPTA reporting marks and road numbers.

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

Memorandum of Head Lease Agreement (2003-I)

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/anr
Enclosures

EXECUTION COPY

MEMORANDUM OF HEAD LEASE AGREEMENT

(2003-1)

This Memorandum of Head Lease Agreement (2003-1) is made and entered into as of April 9, 2003, by and between SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY (hereinafter referred to as "Head Lessor") and SEPTA RAIL STATUTORY TRUST 2003-1 (hereinafter referred to as "Head Lessee") respecting that certain Head Lease Agreement (2003-1) dated April 9, 2003, between Head Lessor and Head Lessee (the "Head Lease").

For purposes of this Agreement, capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in Appendix A to the Participation Agreement (2003-1), dated as of April 9, 2003, among Southeastern Pennsylvania Transportation Authority, as Head Lessor and Lessee, SEPTA Rail Statutory Trust 2003-1, as Head Lessee and Lessor, Wells Fargo Bank Minnesota, National Association, as Equity Investor and Series B Lender, FSA Global Funding Limited, as Initial Lender and Wilmington Trust Company, not in its individual capacity, except as otherwise expressly set forth therein, but solely as Trustee under the Trust Agreement (2003-1) and the rules of usage set forth therein shall apply hereto.

Pursuant to the provisions of the Head Lease, Head Lessor and Head Lessee hereby affirm and acknowledge that:

1. For good and valuable consideration, Head Lessor has agreed to lease to Head Lessee and Head Lessee has agreed to lease from Head Lessor certain railroad equipment bearing reporting marks and road numbers as listed on Exhibit A attached hereto, effective as of the date hereof and subject to the terms defined in the Head Lease.

2. The Head Lessee has (a) assigned to the Initial Lender for the benefit of the Lender its rights under the Head Lease and any Head Lease Supplement (including its rights thereunder as so assigned) and granted a first priority security interest in its rights under the Head Lease, subject to the reservations set forth in the Loan Agreement, including all right, title and interest of the Head Lessee, whether now existing or hereafter arising or acquired, in, to and under the property, rights and privileges described in clauses (A)-(C) below and (b) subject and subordinate in all respects to the assignment to the Initial Lender under the Loan Agreement, assigned to the Series B Lender its rights under the Head Lease and any Head Lease Supplement (including its rights thereunder as so assigned) and granted a second priority security interest in its rights under the Head Lease, subject to the reservations set forth in the Series B Loan Agreement, including, without limitation, Section 7.01 thereof, including all right, title and interest of the Head Lessee, whether now existing or hereafter arising or acquired, in, to and under the property, rights and privileges described in clauses (A)-(C) below:

RECORDATION NO. 24403 FILED

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Memorandum of Head Lease Agreement

SURFACE TRANSPORTATION BOARD

- (A) All of Head Lessee's right, title and interest under the Head Lease and the Head Lease Supplement, whether now or hereafter acquired, including, without limitation, the interest in the Equipment described in Exhibit A to the Head Lease Supplement and all of Head Lessee's right, title and interest in the Equipment and all goods and equipment which constitute a portion of the Trust Estate and all replacements thereof, accessions thereto and substitutions therefor;
- (B) All of the Head Lessor's estate, right, title and interest now or hereafter acquired under the Head Lease; and
- (C) All property received upon the sale, exchange, collection or other disposition of any or all of the foregoing.

3. Head Lessor and Head Lessee further acknowledge and affirm that this Memorandum of Head Lease Agreement (2003-1) is not a summary of the Head Lease nor a complete recitation of the terms and provisions thereof. Accordingly, Head Lessor and Head Lessee hereby agree that in the event of a conflict between this Memorandum of Head Lease Agreement (2003-1) and the provisions of the Head Lease, the provisions of the Head Lease shall control.

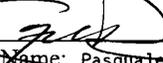
4. This Memorandum of Head Lease Agreement (2003-1) is prepared only for the public record and is being recorded with the Surface Transportation Board pursuant to 49 U.S.C. Section 11301(a).

[Intentionally Left Blank]

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due authority, has caused this Memorandum of Head Lease Agreement (2003-1) to be duly executed in its name by its officers, thereunto duly authorized, all as of the date first above written.

HEAD LESSOR:

SOUTHEASTERN PENNSYLVANIA
TRANSPORTATION AUTHORITY

By: 

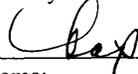
Name: Pasquale T. Deon, Sr.

Title: Chairman

HEAD LESSEE:

SEPTA RAIL STATUTORY TRUST 2003-1

By: Wilmington Trust Company,
not in its individual capacity, but
solely as Trustee

By:  _____

Name:

Title:

Michael A. Padolito
Vice President

STATE OF DELAWARE)
) SS:
COUNTY OF NEW CASTLE)

On this 14th of April, 2003, before me personally appeared Matthew A. Podelfini, to me personally known, who being duly sworn, stated that he/she is Financial Services Officer of WILMINGTON TRUST COMPANY, that said instrument was signed on behalf of said corporation, not in its individual capacity, but solely as trustee on behalf of SEPTA Rail Statutory Trust 2003-1 by authority of its board of directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Anita C. Dallop
Notary Public

My Commission Expires

APR 15 2003
My Commission Expires August 3, 2003

EXHIBIT A

EQUIPMENT

Number of Cars: 34

**Manufacturer:
Kawasaki Heavy Industries**

Reporting Mark: SEPTA

Number of Cars Railcar Number

1	107
2	108
3	109
4	110
5	9006
6	9007
7	9008
8	9009
9	9010
10	9011
11	9012
12	9013
13	9014
14	9015
15	9017
16	9019
17	9030
18	9031
19	9043
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32	9056
33	9057
34	9070