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

OF COUNSEL  
URBAN A. LESTER

April 10, 2003

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

RECORDATION NO. 24403-B FILED  
APR 10 '03 1-21 PM  
SURFACE TRANSPORTATION BOARD

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 Lease Agreement (2003-1), dated as of April 9, 2003, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Head Lease Agreement which is being filed with the Board under Recordation Number 24403.

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

Lessor: SEPTA Rail Statutory Trust 2003-1  
c/o Wilmington Trust Company  
1100 North Market Street  
Wilmington, Delaware 19890

Lessee: Southeastern Pennsylvania  
Transportation Authority  
SEPTA Treasury and Finance  
1234 Market Street, 10<sup>th</sup> Floor  
Philadelphia, PA 19107

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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 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 LEASE AGREEMENT

(2003-1)

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

1. For good and valuable consideration, Lessor has agreed to lease to Lessee and Lessee has agreed to lease from 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 Lease.

2. The Lessee has (a) assigned to the Initial Lender for the benefit of the Lender its rights under the Lease and any Lease Supplement (including its rights thereunder as so assigned) and granted a first priority security interest in its rights under the Lease, subject to the reservations set forth in the Loan Agreement, including all right, title and interest of the 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 Lease and any Lease Supplement (including its rights thereunder as so assigned) and granted a second priority security interest in its rights under the 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 Lessee, whether now existing or hereafter arising or acquired, in, to and under the property, rights and privileges described in clauses (A)-(C) below:

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Memorandum of Lease Agreement

SURFACE TRANSPORTATION BOARD

- (A) All of Lessee's right, title and interest under the Lease and the Lease Supplement, whether now or hereafter acquired, including, without limitation, the interest in the Equipment described in Exhibit A to the Lease Supplement and all of 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 Lessor's estate, right, title and interest now or hereafter acquired under the Lease; and
- (C) All property received upon the sale, exchange, collection or other disposition of any or all of the foregoing.

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

4. This Memorandum of 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 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.

LESSOR:

SEPTA RAIL STATUTORY TRUST 2003-1

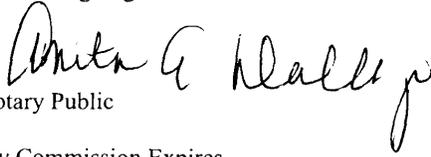
By: Wilmington Trust Company,  
not in its individual capacity, but  
solely as Trustee

By:  \_\_\_\_\_

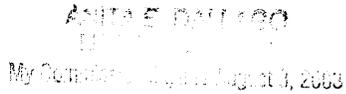
Name: Matthew A. Feddy  
Title: General Counsel

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

On this 30<sup>th</sup> of April, 2003, before me personally appeared Kathleen A. Padalini, 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.

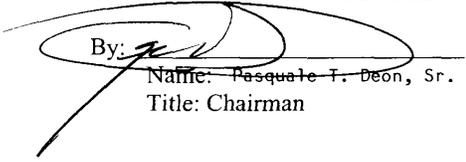
  
Notary Public

My Commission Expires

  
My Commission Expires August 3, 2003

LESSEE:

SOUTHEASTERN PENNSYLVANIA  
TRANSPORTATION AUTHORITY

By: 

Name: Pasquale T. Deon, Sr.

Title: Chairman

**APPROVED AS TO FORM:**

By: , Esq.  
General Counsel's Office



**EXHIBIT A**

**EQUIPMENT**

**Number of Cars: 34**

**Manufacturer:**  
**Kawasaki Heavy Industries**  
**Reporting Mark: SEPTA**

<b>Number of Cars</b>	<b>Railcar Number</b>
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