

MEMORANDUM NO. 23891 FILED

MAR 8 '02 12-51 PM

SURFACE TRANSPORTATION BOARD

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OF COUNSEL
URBAN A. LESTER

March 8, 2002

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

Re: PCJPB-BA-2002

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 (PCJPB-BA-2002), dated as of February 7, 2002, 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: Peninsula Corridor Joint Powers Board
1250 San Carlos Avenue
San Carlos, California 94070

Head Lessee: State Street Bank and Trust Company of
California
633 West Fifth Street
Los Angeles, California 90071

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

Thirteen (13) locomotives with road marks 905 – 917; thirty-eight (38) trailer cars with road marks 3800 – 3807 and 3822 – 3851; and fourteen (14) cab-control cars with road marks 4007 – 4020.

Mr. Vernon A. Williams
March 8, 2002
Page Two

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

Memorandum of Head Lease Agreement (PCJPB-BA-2002).

Also enclosed is a check in the amount of \$28.00 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

MEMORANDUM OF HEAD LEASE AGREEMENT (PCJPB-BA-2002) dated as of February 7, 2002, between PENINSULA CORRIDOR JOINT POWERS BOARD (the "Head Lessor") and STATE STREET BANK AND TRUST COMPANY OF CALIFORNIA, NATIONAL ASSOCIATION, not in its individual capacity, except as otherwise expressly set forth herein, but solely as Trustee (the "Head Lessee"). Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in Appendix A to the Participation Agreement (PCJPB-BA-2002) dated as of February 7, 2002 among Peninsula Corridor Joint Powers Board, as Head Lessor and Sublessee, Bank of America Leasing & Capital, LLC, as Equity Investor, FSA Global Funding Limited, as Series A Lender, Dexia Crédit Local, New York Agency, as Series B Lender and Agent, Premier International Funding Co., as Series A Debt Payment Undertaker, Swiss Re Financial Products Corporation, as Series B Debt Payment Undertaker, and State Street Bank and Trust Company of California, National Association, not in its individual capacity, except as otherwise expressly set forth therein, but solely as Trustee.

WHEREAS, Head Lessor and Head Lessee have entered into that certain Head Lease Agreement (PCJPB-BA-2002) dated as of February 7, 2002 (the "Head Lease") as supplemented by that certain Head Lease Supplement (PCPBJ-BA-2002) dated February 7, 2002 (the "Head Lease Supplement") (the terms of each of which are incorporated herein by reference), covering the rail equipment identified in Schedule A hereto, bearing the equipment numbers of Head Lessor shown in said Schedule A;

WHEREAS, the Head Lease and the Head Lease Supplement shall be effective as of the Closing Date; 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.

REGISTRATION NO. 23891 FILED

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SURFACE TRANSPORTATION BOARD

IN WITNESS WHEREOF, the parties wish to show for the public record the ownership of said rail equipment by the Head Lessor, and the leasehold interest of the Head Lessee therein, and accordingly have caused this memorandum to be executed by their officers thereunto authorized, as of the date first above written.

PENINSULA CORRIDOR JOINT POWERS
BOARD

By: Roger Contreras

Name: Roger Contreras
Title: Chief Financial Officer

STATE STREET BANK AND TRUST
COMPANY, not in its individual capacity,
except as otherwise expressly set forth herein,
but solely as Trustee

By: _____

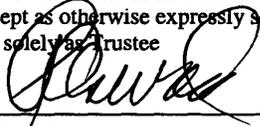
Name:
Title:

IN WITNESS WHEREOF, the parties wish to show for the public record the ownership of said rail equipment by the Head Lessor, and the leasehold interest of the Head Lessee therein, and accordingly have caused this memorandum to be executed by their officers thereunto authorized, as of the date first above written.

PENINSULA CORRIDOR JOINT POWERS
BOARD

By: _____
Name:
Title:

STATE STREET BANK AND TRUST
COMPANY, not in its individual capacity,
except as otherwise expressly set forth herein,
but solely as Trustee

By:  _____
Name: Paula Oswald
Title: Vice President

Lot 1

Trailer Car

Serial No.	Delivery Date	Appraised Value
3843	1986	\$2,600,000
3844	1986	\$2,600,000
3845	1986	\$2,600,000
3847	1986	\$2,600,000
3848	1986	\$2,600,000
3849	1986	\$2,600,000
3850	1986	\$2,600,000
3851	1986	\$2,600,000

Lot 2

Locomotive

Serial No.	Delivery Date	Appraised Value
905	1985	\$3,100,000
906	1985	\$3,100,000
907	1985	\$3,100,000
908	1985	\$3,100,000
909	1985	\$3,100,000
910	1985	\$3,100,000
911	1985	\$3,100,000
912	1985	\$3,100,000
913	1985	\$3,100,000
914	1985	\$3,100,000
915	1985	\$3,100,000
916	1985	\$3,100,000
917	1985	\$3,100,000

Lot 3

Trailer Car

Serial No.	Delivery Date	Appraised Value
3800	1985	\$2,500,000
3801	1985	\$2,500,000
3802	1985	\$2,500,000
3803	1985	\$2,500,000
3804	1985	\$2,500,000
3805	1985	\$2,500,000
3806	1985	\$2,500,000
3807	1985	\$2,500,000
3822	1985	\$2,500,000
3823	1985	\$2,500,000
3824	1985	\$2,500,000
3825	1985	\$2,500,000
3826	1985	\$2,500,000
3827	1985	\$2,500,000
3828	1985	\$2,500,000
3829	1985	\$2,500,000
3830	1985	\$2,500,000
3831	1985	\$2,500,000
3832	1985	\$2,500,000
3833	1985	\$2,500,000
3834	1985	\$2,500,000
3835	1985	\$2,500,000
3836	1985	\$2,500,000
3837	1985	\$2,500,000
3838	1985	\$2,500,000

Schedule A to Memorandum of Head Lease - Lot 3
(PCJPB-BA-2002)

3839	1985	\$2,500,000
3840	1985	\$2,500,000
3841	1985	\$2,500,000

Lot 3

Cab-Control Car

Serial No.	Delivery Date	Appraised Value
4007	1985	\$2,660,000
4008	1985	\$2,660,000
4009	1985	\$2,660,000
4010	1985	\$2,660,000
4011	1985	\$2,660,000
4012	1985	\$2,660,000
4013	1985	\$2,660,000
4014	1985	\$2,660,000
4015	1985	\$2,660,000
4016	1985	\$2,660,000
4017	1985	\$2,660,000
4018	1985	\$2,660,000
4019	1985	\$2,660,000
4020	1985	\$2,660,000

Lot 4

Trailer Car

Serial No.	Delivery Date	Appraised Value
3842	1987	\$2,650,000
3846	1987	\$2,650,000