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October 31, 2002

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

RECORDATION NO. 24192 FILED

OCT 31 '02 11-46 AM

Dear Secretary Williams:

SURFACE TRANSPORTATION BOARD

I have enclosed two originals of the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Memorandum of Lease Agreement, a primary document, dated as of October 29, 2002. We request that this document be given the next available Recordation Number.

The names and addresses of the parties to the Memorandum of Lease Agreement are:

Lessor:

PNC Leasing, LLC
Two PNC Plaza
620 Liberty Avenue
Pittsburgh, PA 15222

Lessee:

AOE Equipment LLC
1200 N.W. Naito Parkway, Suite 500
Portland, OR 97209

A description of the equipment covered by the Memorandum of Lease Agreement consists of eight passenger railcars numbered 800258, 800297, 800298, 800301, 800308, 800321, 800643, and 800740.

BALL JANIK LLP

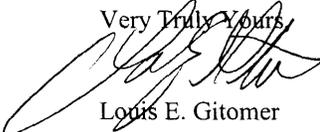
Honorable Vernon A. Williams
October 31, 2002
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A fee of \$30.00 is enclosed. Please return one original to:

Louis E. Gitomer
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005

A short summary of the document to appear in the index follows: Memorandum of Lease Agreement between PNC Leasing, LLC, Two PNC Plaza, 620 Liberty Avenue, Pittsburgh, PA 15222, and AOE Equipment LLC, 1200 N.W. Naito Parkway, Suite 500, Portland, OR 97209, covering eight passenger railcars numbered 800258, 800297, 800298, 800301, 800308, 800321, 800643, and 800740.

Very Truly Yours,

A handwritten signature in black ink, appearing to read 'Louis E. Gitomer', is written over the typed name below.

Louis E. Gitomer

Enclosures

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OCT 31 '02 11:46 AM

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LEASE AGREEMENT

BETWEEN

PNC LEASING, LLC

AND

AOE EQUIPMENT LLC

OCTOBER 29, 2002

Memorandum of a Lease Agreement made and entered into as of October 29, 2002 by and between PNC LEASING, LLC, a Delaware limited liability company ("Lessor") and AOE EQUIPMENT LLC, an Oregon limited liability company ("Lessee").

WITNESSETH:

1. Lessor has agreed to lease to Lessee, and Lessee has agreed to lease from Lessor eight (8) sleeper coach, club lounge and crew sleeper railcars, bearing marks and numbers as follows: 800258, 800297, 800298, 800301, 800308, 800321, 800643 and 800740.
2. The Lease Agreement shall be effective as of the date first set forth herein above and shall be subject to the lease term, as described in the Lease Agreement.
3. This Memorandum of Lease Agreement may be executed in any number of counterparts, each of which shall be an original, all of which when taken together shall constitute one agreement binding on all parties, notwithstanding that all parties are not signatories to the same counterpart.

[signatures on following page]

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers as of the date and year first above written.

LESSOR: PNC LEASING, LLC

By: Michael H. Ollio

Name: Michael H. Ollio

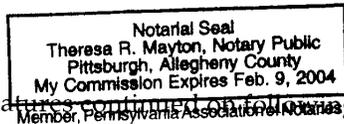
Title: Vice President

STATE OF PENNSYLVANIA)
) ss.
COUNTY OF ALLEGHENY)

On October 29, 2002, before me, personally appeared Michael H. Ollio personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal

Theresa R. Mayton (SEAL)



[signatures continue on following page]

LESSEE: AOE EQUIPMENT LLC

By: *[Signature]*

Name: Scott A Taylor

Title: VP Sec & Treas

STATE OF Oregon)
COUNTY OF Multnomah) ss.

On October 29, 2002, before me, personally appeared

Scott A. Taylor personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal

Dorene Walker (SEAL)

