RECORDATION NO. 24766-B FILED

JAN 12 '04 3-31 PM

SURFACE TRANSPORTATION BOARD

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ELIAS C. ALVORD (1942)
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OF COUNSEL
URBAN A. LESTER

January 12, 2004

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 three (3) copies of a Memorandum of Lease Agreement (VTA-2003-FT2), dated as of December 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 Head Lease Agreement (VTA-2003-FT2) which is being filed with the Board under Recordation Number _____.

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

Lessor: VTA Rail Statutory Trust VTA-2003-K1
c/o U.S. Bank, National Association
633 West Fifth Street
24TH Floor
Los Angeles, CA 90071

Lessee: Santa Clara Valley Transportation Authority
3331 North First Street
San Jose, CA 95134-1906

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

10 light rail vehicles bearing SCVTA reporting marks and road numbers 958-967.

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

Memorandum of Lease Agreement (VTA-2003-FT2).

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

MEMORANDUM OF LEASE AGREEMENT (VTA-2003-FT2)

Memorandum of Lease Agreement (VTA-2003-FT2), made and entered into on December 30, 2003 by and between **VTA RAIL STATUTORY TRUST VTA-2003-FT2**, a Connecticut statutory trust, having its principal place of business at U.S. Bank National Association, 633 West Fifth Street, 24th Floor, Los Angeles, California (the "***Lessor***"), and **SANTA CLARA VALLEY TRANSPORTATION AUTHORITY**, a political subdivision of the State of California, having its principal office at 3331 N. First Street, San Jose, California (the "***Lessee***").

W I T N E S S E T H:

The undersigned have entered into that certain Lease Agreement (VTA-2003-FT2), dated as of December 30, 2003, whereby the Lessor has agreed to lease to the Lessee and the Lessee has agreed to lease from the Lessor certain railroad equipment bearing car numbers as listed on Exhibit A attached hereto, subject to the term defined in said Lease Agreement (VTA-2003-FT2).

Remainder of page intentionally left blank

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IN WITNESS WHEREOF, the Lessor and the Lessee have each caused this Memorandum of Lease Agreement (VTA-2003-FT2) to be duly executed by their respective authorized officers on the day and year first above written.

LESSOR:

VTA RAIL STATUTORY TRUST
VTA-2003-FT2
By U.S. Bank National Association, not in its individual capacity, but solely as Trustee

By: _____
Name: Paula Oswald
Title: Vice President

ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On December 22, 2003, before me, Serena M. Gutierrez the undersigned notary public in and for said County and State, personally appeared Paula Oswald, personally known to me ~~or proved to me on the basis of satisfactory evidence~~ to be the person(s) whose name(s) is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity(~~ies~~) and that, by her signature(s) on the instrument, the person(s) or the entity(~~ies~~) upon behalf of which the person(s) acted executed the instrument.

WITNESS my hand and official seal.

_____
My commission expires on May 25, 2004

SERENA M. GUTIERREZ
Commission # 1264926
Notary Public - California
Los Angeles County
My Comm. Expires May 25, 2004

LESSEE:

SANTA CLARA VALLEY
TRANSPORTATION AUTHORITY

By: _____
Name: Scott Buhrer
Title: Chief Financial Officer

ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
) ss.
COUNTY OF Santa Clara)

On December 19, 2003, before me, Marty D Loo, personally came Scott D Buhrer, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity and that by 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.

MARTY D. LOO
COMM. #1299709
Notary Public-California
SANTA CRUZ COUNTY
My Comm. Exp. April 5, 2005

_____
Notary Public

My commission expires on April 5, 2005

EXHIBIT A

DESCRIPTION OF RAILCARS; EQUIPMENT VALUES

Item of Equipment	Serial No.	Equipment Value
Kinki Sharyo Light Rail Vehicle	958	$4,400,000
Kinki Sharyo Light Rail Vehicle	959	$4,400,000
Kinki Sharyo Light Rail Vehicle	960	$4,400,000
Kinki Sharyo Light Rail Vehicle	961	$4,400,000
Kinki Sharyo Light Rail Vehicle	962	$4,400,000
Kinki Sharyo Light Rail Vehicle	963	$4,400,000
Kinki Sharyo Light Rail Vehicle	964	$4,400,000
Kinki Sharyo Light Rail Vehicle	965	$4,400,000
Kinki Sharyo Light Rail Vehicle	966	$4,400,000
Kinki Sharyo Light Rail Vehicle	967	$4,400,000