

RECORDATION NO. 25747 FILED

AUG 02 '05 3-11 PM

SURFACE TRANSPORTATION BOARD

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

August 1, 2005

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 two (2) copies of a Memorandum of Net Lease Agreement, dated as of June 22, 2005, 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:

Lessor: Mitsui Rail Capital, LLC
5215 Old Orchard Road
Suite 505
Skokie, IL 60077

Lessee: Tucson Electric Power Company
220 West Sixth Street
Tucson, Arizona 85702

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

140 railcars: TEPX 5373 - TEPX 5512

Mr. Vernon A. Williams
August 1, 2005
Page Two

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

Memorandum of Net Lease Agreement

Also enclosed is a check in the amount of \$33.00 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,

A handwritten signature in black ink, appearing to read "Alvord", written in a cursive style.

Robert W. Alvord

RWA/anr
Enclosures

**MEMORANDUM OF NET LEASE AGREEMENT
BETWEEN
MITSUI RAIL CAPITAL, LLC
("LESSOR")**

AND

**TUCSON ELECTRIC POWER COMPANY
("LESSEE")**

JUNE 22, 2005

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JUN 23 2005 3-11 PM

SUNAVEN RECORDATION BOARD

Memorandum of a Net Lease Agreement made and entered into as of **June 22, 2005** by and between Mitsui Rail Capital, LLC, a Delaware limited liability corporation, ("**Lessor**") and Tucson Electric Power Company, a Arizona corporation ("**Lessee**").

WITNESSETH:

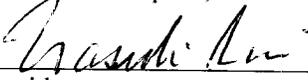
1. Lessor has agreed to furnish to Lessee, and Lessee has agreed to lease from Lessor 140 Freightcar America built BethGon II Railcars bearing marks and numbers as follows:

TEPX 5373-5512

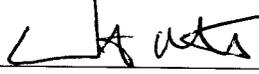
2. The Net Lease Agreement shall be effective as of the date first set forth hereinabove and shall be subject to the lease term, as described in the Net Lease Agreement.

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: Mitsui Rail Capital, LLC

By: 
Title: President
Date: 6/24/2005

Lessee: Tucson Electric Power Company

By: 
Title: Vice President, General Counsel & CAO
Date: June 22, 2005

STATE OF ILLINOIS

COUNTY OF COOK

On this 24th day of JUNE, 2005, before me personally appeared Yasushi Imai, to me personally known, who being by me duly sworn, says that he is the President of Mitsui Rail Capital, LLC that the foregoing instrument was signed on behalf of said corporation, and he acknowledged that the execution of the said instrument was his free act and deed.



Teresa Taylor
NOTARY PUBLIC

My commission expires:

STATE OF Arizona

COUNTY OF Pima

On this 22nd day of June, 2005 before me personally appeared Vincent Nihdo, to me personally known, who being by me duly sworn, says that he is the vice President, General Counsel & CAO of Tucson Electric Power Co., that the foregoing instrument was signed on behalf of said corporation, and he acknowledged that the execution of the said instrument was his free act and deed.

Janice Spencer
NOTARY PUBLIC

My commission expires

