

RECORDATION NO. 25963-A FILED

JUN 06 '06

2-00 PM

SURFACE TRANSPORTATION BOARD

ALVORD AND ALVORD
ATTORNEYS AT LAW
1050 SEVENTEENTH STREET, N.W.
SUITE 301
WASHINGTON, D.C.

20036

(202) 393-2266

FAX (202) 393-2156

E-MAIL alvordlaw@aol.com

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

OF COUNSEL
URBAN A. LESTER

June 16, 2006

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 Assignment Agreement, dated as of June 16, 2006, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Lease Agreement previously filed with the Board under Recordation Number 25963.

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

Assignor: Mitsui Rail Capital, LLC
5 Old Orchard Road, Suite 505
Skokie, IL 60077

Assignee: ARH 2006-1, LLC
c/o AllCapital (US), LLC
780 Third Avenue
New York, NY 10017

Mr. Vernon A. Williams
June 16, 2006
Page 2

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

250 railcars: MBKX 6418 – MBKX 6667.

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

Memorandum of Assignment Agreement.

Also enclosed is a check in the amount of \$34.00 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/sem
Enclosures

RECORDATION NO. 25963-A FILED

JULY 06 '06

2-00 PM

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF ASSIGNMENT AGREEMENT

Dated as of June 16, 2006

Between

MITSUI RAIL CAPITAL, LLC,
As Transferor,

And

ARH 2006-1, LLC,
As Transferee

FILED WITH THE SURFACE TRANSPORTATION BOARD
PURSUANT TO 49 U.S.C. §11301
AND WITH THE REGISTRAR GENERAL OF CANADA
PURSUANT TO §105 OF THE CANADA TRANSPORTATION ACT
on _____, 2006 at ____:____.m.

MEMORANDUM OF ASSIGNMENT OF LEASE

THIS MEMORANDUM OF ASSIGNMENT OF LEASE dated as of this 16th day of June, 2006, is made by MITSUI RAIL CAPITAL, LLC, a Delaware limited liability company, with an address at 5215 Old Orchard Road, Skokie, IL 60077 (the "Transferor"), and ARH 2006-1, LLC, a Delaware limited liability company, with an address at 780 Third Avenue, 7th Floor, New York, NY 10017 (the "Transferee" and, together with the Transferor, the "Parties").

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, Transferor and Transferee entered into that certain Purchase Agreement (the "Purchase Agreement") dated as of June 1, 2006 relating to the sale by Transferor to Transferee of two hundred fifty (250) 2005-built aluminum rotary AutoFlood III™ railcars identified on Schedule 1 (the "Equipment") and the assignment by Transferor and assumption by Transferee of Transferor's right, title and interest in, and obligations under, the Lease Agreement, dated as of August 16, 2005, and entered into between Transferor, as lessor, and Tennessee Valley Authority, as lessee (the "Lease Agreement") and Schedule No. 3 thereto, dated October 13, 2005 and entered into between Transferor, as lessor, and Tennessee Valley Authority, as lessee ("Schedule 3"; Schedule 3 and the Lease Agreement as it relates to Schedule 3, collectively, the "Lease");

WHEREAS, the Equipment is subject to the Lease;

WHEREAS, a Memorandum of Lease Agreement with respect to the Lease was filed with the Surface Transportation Board (the "STB") on November 10, 2005, and assigned recordation number 25963; and

WHEREAS, the Parties wish to show for the public record the existence of the aforesaid assignment by Transferor of its right, title and interest in, and obligations under, the Lease to Transferee, and accordingly the Parties have caused this Memorandum to be executed by their respective duly authorized officers, as of the date first above written.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto, by this instrument the Transferor hereby confirms the sale of the Equipment to Transferee and the assignment to Transferee of Transferor's right, title and interest in, and obligations under, the Lease in accordance with the terms and conditions of the Purchase Agreement, and the Transferee confirms and accepts such terms and conditions, which are incorporated by reference as if fully set forth herein.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, each of the undersigned has caused this Memorandum of Assignment of Lease to be executed by a duly authorized officer as of the day and year first above written.

I certify that I hold the title set forth below, that this instrument was signed on behalf of the Transferor by authority of its Management Committee and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the Transferor. I further declare under penalty of perjury that the foregoing is true and correct.

MITSUI RAIL CAPITAL, LLC

By: 

Name: Yasushi Imai

Title: President

I certify that I hold the title set forth below, that this instrument was signed on behalf of the Transferee by authority of its Managers and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the Transferee. I further declare under penalty of perjury that the foregoing is true and correct.

ARH 2006-1, LLC

By: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, each of the undersigned has caused this Memorandum of Assignment of Lease to be executed by a duly authorized officer as of the day and year first above written.

I certify that I hold the title set forth below, that this instrument was signed on behalf of the Transferor by authority of its Management Committee and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the Transferor. I further declare under penalty of perjury that the foregoing is true and correct.

MITSUI RAIL CAPITAL, LLC

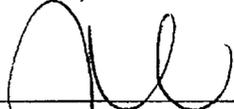
By: _____

Name: Yasushi Imai

Title: President

I certify that I hold the title set forth below, that this instrument was signed on behalf of the Transferee by authority of its Managers and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the Transferee. I further declare under penalty of perjury that the foregoing is true and correct.

ARH 2006-1, LLC

By:  _____

Name: Raymond Kwok

Title: Manager

**SCHEDULE 1
TO THE
MEMORANDUM OF ASSIGNMENT OF LEASE
EQUIPMENT**

Two hundred fifty (250) 2005-built aluminum rotary AutoFlood III™ railcars,
bearing the following road marks and numbers:

MBKX 6418 – MBKX 6667 (both inclusive)

LEASE

Lease Agreement dated as of August 16, 2005 between Mitsui Rail Capital, LLC as Lessor and Tennessee Valley Authority as Lessee, as supplemented by Schedule No. 3 dated as of October 21, 2005.

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: 6/16/06



Robert W. Alvord