

RECORDATION NO. 26421 FILED

JUN 28 '06 1-35 PM

SURFACE TRANSPORTATION BOARD

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OF COUNSEL
URBAN A. LESTER

June 28, 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 Lease Agreement, dated as of June 5, 2006, 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
5 Old Orchard Road, Suite 505
Skokie, IL 60077

Lessee: Tennessee Valley Authority
1101 Market Street
Chattanooga, TN 37402

Mr. Vernon A. Williams
June 28, 2006
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A description of the railroad equipment covered by the enclosed document
is:

135 BethGon railcars: MBKX 301024 – MBKX 301158.

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

Memorandum of Lease 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,

A handwritten signature in black ink, appearing to read "Alvord", with a long horizontal flourish extending to the right.

Robert W. Alvord

RWA/sem
Enclosures

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

AND

**TENNESSEE VALLEY AUTHORITY
("LESSEE")**

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SURFACE TRANSPORTATION BOARD

JUNE 5, 2006

Memorandum of a Lease Agreement made and entered into as of **June 5, 2006** by and between Mitsui Rail Capital, LLC, a Delaware limited liability company, ("**Lessor**") and Tennessee Valley Authority, a corporation organized and existing under the laws of the United States of America ("**Lessee**").

WITNESSETH:

1. Lessor has agreed to furnish to Lessee, and Lessee has agreed to lease from Lessor 135 FreightCar America Built Aluminum BethGon II Railcars bearing marks and numbers as follows:

MBKX 301024-301158 (both inclusive)

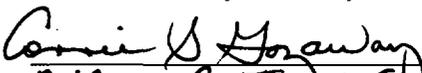
2. The Lease Agreement shall be effective as of the date first set forth hereinabove and shall be subject to the lease term, as described in the Lease Agreement.

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: 6/22/06

Lessee: Tennessee Valley Authority

By: 
Title: Railcar Contract Specialist
Date: June 5, 2006

STATE OF ILLINOIS

COUNTY OF COOK

On this 22ND day of JUNE, 2006, 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.



Tondalaya Richardson
NOTARY PUBLIC

My commission expires: 11-1-2009

STATE OF Tennessee

COUNTY OF Hamilton

On this 5th day of June, 2006, before me personally appeared Annie S. Garaway to me personally known, who being by me duly sworn, says that he is the Railcar Contract ~~Secretary~~ Tennessee Valley Authority 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.

Cherry P. Griffith
NOTARY PUBLIC

My commission expires Oct. 17, 2007

