

RECORDATION NO. 25523-F FILED

DEC 29 '06 -8 30 AM

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

SURFACE TRANSPORTATION BOARD

OF COUNSEL
URBAN A. LESTER

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

December 29, 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, dated as of December 29, 2006, a primary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Lease previously filed with the Board under Recordation Number 25523.

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

Lessor: ABN AMRO BANK N.V.
540 W. Madison, Suite 2131
Chicago, Illinois 60661

Lessee: Eastman Chemical Company
100 North Eastman Road
Kingsport, Tennessee 37662

Mr. Vernon A. Williams
December 29, 2006
Page 2

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

236 hopper cars:

ETCX 152000, ETCX 252178, ETCX 252209 -ETCX 252210,
ETCX 252219, ETCX 252234, ETCX 252275, ETCX 252294, and
ETCX 252311 – ETCX 252538.

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

Memorandum of Lease.

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,



Robert W. Alvord

RWA/anm
Enclosures

**FILING AND RECORDING REQUESTED BY,
AND WHEN FILED AND RECORDED RETURN TO:**

DEC 29 '08 -8 3 0 AM

Alvord & Alvord
1050 17th Street, N.W., Suite 301
Washington, DC 20006-5556
Attention: Robert W. Alvord, Esq.

SURFACE TRANSPORTATION BOARD

-----SPACE ABOVE THIS LINE FOR RECORDER'S USE-----

MEMORANDUM OF LEASE

dated as of December 29, 2006

between

EASTMAN CHEMICAL COMPANY,
a Delaware corporation,
as Lessee,

ABN AMRO BANK N.V.,
as Lessor

This **MEMORANDUM OF LEASE** dated as of December 29, 2006 (this "**Memorandum**") between **ABN AMRO BANK N.V.**, as Lessor, with an address at 540 West Madison, Suite 2131, Chicago, Illinois 60661 ("**Lessor**"), and **EASTMAN CHEMICAL COMPANY**, a Delaware corporation, with an address at 100 North Eastman Road, Kingsport, Tennessee 37662-5075, as Lessee ("**Lessee**").

WITNESSETH:

WHEREAS, Lessee and Lessor have entered into that certain (unfiled) lease agreement dated as of March 30, 2005 (as from time to time amended, restated, supplemented or otherwise modified, the "**Lease**") pursuant to which Lessor will lease to Lessee, and Lessee will lease from Lessor, the items of railroad rolling stock (the "**Units**") to be delivered to Lessor on each Delivery Date as more fully described in each Lease Supplement; and

WHEREAS, pursuant to Section 12.1 of the Lease, Lessee has granted to Lessor a first priority security interest in all of the Units and the other Collateral to secure the payment of all sums due and payable by Lessee and the performance by Lessee of all of its obligations under the Lease, the Lease Supplements and the other Operative Documents.

NOW, THEREFORE, in consideration of the mutual premises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. For all purposes hereof, the capitalized terms used herein and not otherwise defined shall have the meanings assigned thereto in Appendix 1 to that certain Participation Agreement dated as of even date herewith, among Lessee, Lessor, ABN AMRO BANK N.V., as Administrative Agent, ABN AMRO Advisory, Inc., as Collateral Agent and the Participants identified therein (as from time to time amended, restated, supplemented or otherwise modified, the "**Participation Agreement**"). The rules of interpretation set forth in such Appendix 1 shall also apply hereto.

2. This Memorandum evidences of record the Lease and the grant of a first priority security interest by Lessee to Lessor in the Units and the other Collateral, and all references herein or in the other Operative Documents to the Lease shall be deemed to include this Memorandum. All obligations imposed on the "**Lessee**" in the Lease shall be the full recourse liability of Lessee.

3. Pursuant to that certain Lease Supplement No. 14, dated as of December 29, 2006, the Units identified in such Lease Supplement and listed at Annex A hereto became subject to the terms and provisions of the Lease, including without limitation the grant of a first priority security interest as set forth in Section 12.1 of the Lease.

4. The parties hereto wish to show for public record this Memorandum and accordingly have caused this Memorandum to be executed by their officers thereunto duly authorized, as of the date first above written.

5. It is the intention of the parties that:

(a) the Overall Transaction as provided for in the Lease and the other Operative Documents constitutes an operating lease from Lessor and Participants to Lessee for purposes of Lessee's financial reporting;

(b) for all other purposes, including federal and all state and local income and transfer taxes, bankruptcy, insolvency and receivership (including the substantive law upon which bankruptcy, insolvency and receivership proceedings are based), commercial law and UCC purposes:

(1) the Overall Transaction constitutes a financing by the Participants to Lessee and preserves beneficial ownership in the Equipment in Lessee, and the obligations of Lessee to pay Variable Rent shall be treated as payments of interest to the Participants, and the payment by Lessee of any amounts in respect of the Lease Balance, including any Fixed Rent, shall be treated as payments of principal to the Participants; and

(2) the Lease grants a security interest in the Equipment and other Collateral in favor of the Lessor.

(c) Specifically, without limiting the generality of Section 4(a), the parties to the Lease and the other Operative Documents intend and agree that in the event of any insolvency or receivership proceedings or a petition under the United States bankruptcy laws or any other applicable insolvency laws or statute of the United States of America or any State or Commonwealth thereof affecting Lessee, Lessor, either Agent or the Participants or any collection actions, the transactions evidenced by the Lease and the other Operative Documents are loans made to Lessee by the Participants in each case as unrelated third party lenders, and that Lessor holds title to the Equipment for the benefit of the Participants to secure Lessee's obligations to repay such loans to the Participants and all other amounts due under any of the Operative Documents.

6. This Memorandum may be executed in any number of counterparts and by each of the parties hereto in separate counterparts, all such counterparts together constituting but one and the same instrument.

[Signatures on next page]

IN WITNESS WHEREOF, each of the parties hereto has caused this Memorandum to be duly executed by an officer thereunto duly authorized as of the date and year first above written.

LESSEE:

EASTMAN CHEMICAL, COMPANY,
a Delaware corporation

By: Michael Watts
Name: Michael Watts
Title: Assistant Treasurer

LESSOR:

ABN AMRO BANK N.V.

By: _____
Name Printed: _____
Title:

By: _____
Name Printed: _____
Title:

IN WITNESS WHEREOF, each of the parties hereto has caused this Memorandum to be duly executed by an officer thereunto duly authorized as of the date and year first above written.

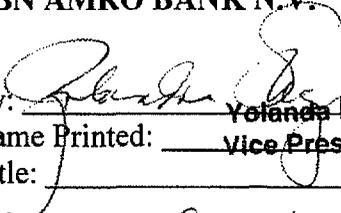
LESSEE:

EASTMAN CHEMICAL COMPANY,
a Delaware corporation

By: _____
Name Printed: _____
Title: _____

LESSOR:

ABN AMRO BANK N.V.

By:  _____
Name Printed: **Yolanda Moza**
Title: **Vice President**

By:  _____
Name Printed: **MARIA T. VANDERWARREN**
Title: **ASSISTANT VICE PRESIDENT**

ACKNOWLEDGMENT-LESSEE

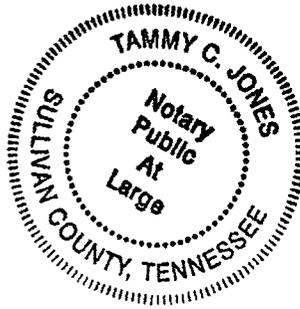
STATE OF Tennessee)
)
COUNTY OF Sullivan)

On December 22, 2006, before me, Tammy C. Jones, a Notary Public in and for said State, personally appeared Michael M. Watts, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by *his/her/their* signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature *Tammy C. Jones* (Seal)

Commission Expires 3-17-07



ACKNOWLEDGMENT- LESSOR

STATE OF Illinois)
)
COUNTY OF Cook)

On December 20, 2006, before me, Yvette Styles, a Notary Public in and for said State, personally appeared Yolanda Meza and Maria Vanderwarren, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature *Yvette Styles* (Seal)



ANNEX A

Description of Units

See attached.

Description of Units

Purchase Price

Car Type	Unit Number	Year Built	Purchase Price
Hopper	ETCX 252234	2006	78,336
Hopper	ETCX 252275	2006	78,336
Hopper	ETCX 252294	2006	78,336
Hopper	ETCX 252311	2006	78,336
Hopper	ETCX 252312	2006	78,336
Hopper	ETCX 252313	2006	78,336
Hopper	ETCX 252314	2006	78,336
Hopper	ETCX 252315	2006	78,336
Hopper	ETCX 252316	2006	78,336
Hopper	ETCX 252317	2006	78,336
Hopper	ETCX 252318	2006	78,336
Hopper	ETCX 252319	2006	78,336
Hopper	ETCX 252320	2006	78,336
Hopper	ETCX 252321	2006	78,336
Hopper	ETCX 252322	2006	78,336
Hopper	ETCX 252323	2006	78,336
Hopper	ETCX 252324	2006	78,336
Hopper	ETCX 252325	2006	78,336
Hopper	ETCX 252326	2006	78,336
Hopper	ETCX 252327	2006	78,336
Hopper	ETCX 252328	2006	78,336
Hopper	ETCX 252329	2006	78,336
Hopper	ETCX 252330	2006	78,336
Hopper	ETCX 252331	2006	78,336
Hopper	ETCX 252332	2006	78,336
Hopper	ETCX 252333	2006	78,336
Hopper	ETCX 252334	2006	78,336
Hopper	ETCX 252335	2006	78,336
Hopper	ETCX 252336	2006	78,336
Hopper	ETCX 252337	2006	78,336
Hopper	ETCX 252338	2006	78,336
Hopper	ETCX 252339	2006	78,336
Hopper	ETCX 252340	2006	78,336
Hopper	ETCX 252341	2006	78,336
Hopper	ETCX 252342	2006	78,336
Hopper	ETCX 252345	2006	78,336
Hopper	ETCX 252346	2006	78,336
Hopper	ETCX 252347	2006	78,336
Hopper	ETCX 252348	2006	78,336
Hopper	ETCX 252349	2006	78,336
Hopper	ETCX 252350	2006	78,336
Hopper	ETCX 252351	2006	78,336
Hopper	ETCX 252353	2006	78,336

Hopper	ETCX 252354	2006	78,336
Hopper	ETCX 252355	2006	78,336
Hopper	ETCX 252343	2006	78,175
Hopper	ETCX 252344	2006	78,175
Hopper	ETCX 252356	2006	78,336
Hopper	ETCX 252361	2006	78,336
Hopper	ETCX 252362	2006	78,336
Hopper	ETCX 252363	2006	78,336
Hopper	ETCX 252364	2006	78,336
Hopper	ETCX 252365	2006	78,336
Hopper	ETCX 252366	2006	78,336
Hopper	ETCX 252367	2006	78,336
Hopper	ETCX 252369	2006	78,336
Hopper	ETCX 252371	2006	78,336
Hopper	ETCX 252372	2006	78,336
Hopper	ETCX 252373	2006	78,336
Hopper	ETCX 252374	2006	78,336
Hopper	ETCX 252375	2006	78,336
Hopper	ETCX 252376	2006	78,336
Hopper	ETCX 252377	2006	78,336
Hopper	ETCX 252378	2006	78,336
Hopper	ETCX 252379	2006	78,336
Hopper	ETCX 252380	2006	78,336
Hopper	ETCX 252381	2006	78,336
Hopper	ETCX 252382	2006	78,336
Hopper	ETCX 252383	2006	78,336
Hopper	ETCX 252385	2006	78,336
Hopper	ETCX 252386	2006	78,336
Hopper	ETCX 252387	2006	78,336
Hopper	ETCX 252388	2006	78,336
Hopper	ETCX 152000	2006	88,018
Hopper	ETCX 252210	2006	78,336
Hopper	ETCX 252352	2006	78,336
Hopper	ETCX 252357	2006	78,336
Hopper	ETCX 252358	2006	78,336
Hopper	ETCX 252359	2006	78,336
Hopper	ETCX 252370	2006	78,336
Hopper	ETCX 252384	2006	78,336
Hopper	ETCX 252389	2006	78,336
Hopper	ETCX 252390	2006	78,336
Hopper	ETCX 252391	2006	78,336
Hopper	ETCX 252392	2006	78,336
Hopper	ETCX 252393	2006	78,336
Hopper	ETCX 252394	2006	78,336
Hopper	ETCX 252395	2006	78,336
Hopper	ETCX 252396	2006	78,336
Hopper	ETCX 252397	2006	78,336
Hopper	ETCX 252398	2006	78,336
Hopper	ETCX 252399	2006	78,336
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Hopper	ETCX 252401	2006	78,336
Hopper	ETCX 252402	2006	78,336

Hopper	ETCX 252403	2006	78,336
Hopper	ETCX 252404	2006	78,336
Hopper	ETCX 252405	2006	78,336
Hopper	ETCX 252406	2006	78,336
Hopper	ETCX 252407	2006	78,336
Hopper	ETCX 252408	2006	78,336
Hopper	ETCX 252409	2006	78,336
Hopper	ETCX 252410	2006	78,336
Hopper	ETCX 252411	2006	78,336
Hopper	ETCX 252412	2006	78,336
Hopper	ETCX 252413	2006	78,336
Hopper	ETCX 252414	2006	78,336
Hopper	ETCX 252415	2006	78,336
Hopper	ETCX 252416	2006	78,336
Hopper	ETCX 252418	2006	78,336
Hopper	ETCX 252419	2006	78,336
Hopper	ETCX 252420	2006	78,336
Hopper	ETCX 252178	2006	78,342
Hopper	ETCX 252417	2006	78,342
Hopper	ETCX 252421	2006	78,342
Hopper	ETCX 252422	2006	78,342
Hopper	ETCX 252423	2006	78,342
Hopper	ETCX 252424	2006	78,342
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Hopper	ETCX 252428	2006	78,342
Hopper	ETCX 252429	2006	78,342
Hopper	ETCX 252430	2006	78,342
Hopper	ETCX 252431	2006	78,342
Hopper	ETCX 252432	2006	78,342
Hopper	ETCX 252433	2006	78,342
Hopper	ETCX 252434	2006	78,342
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Hopper	ETCX 252360	2006	78,342
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Hopper	ETCX 252470	2006	78,342
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Hopper	ETCX 252483	2006	78,342
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Hopper	ETCX 252489	2006	78,342
Hopper	ETCX 252478	2006	78,181
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Hopper	ETCX 252486	2006	78,342
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Hopper	ETCX 252490	2006	78,342
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Hopper	ETCX 252494	2006	78,342
Hopper	ETCX 252496	2006	78,342
Hopper	ETCX 252501	2006	78,342
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Hopper	ETCX 252534	2006	78,181
Hopper	ETCX 252536	2006	78,181
Hopper	ETCX 252537	2006	78,181
Hopper	ETCX 252529	2006	77,977
Hopper	ETCX 252515	2006	77,816
Hopper	ETCX 252535	2006	77,816
Hopper	ETCX 252538	2006	77,816

18,491,271

CERTIFICATION

I, Edward M. Luria, an attorney licensed to practice in the District of Columbia, the State of Delaware and the Commonwealth of Pennsylvania, 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: December 29, 2006



Edward M. Luria