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OF COUNSEL  
URBAN A. LESTER

September 28, 2007

RECORDATION NO. 27184 **FLD**

SEP 28 '07 -3 0 0 PM

SURFACE TRANSPORTATION BOARD

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
395 "E" Street, S.W.  
Washington, D.C. 20423-0001

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, September 28, 2007, 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:       AIG Rail Services, Inc.  
                  5700 Granite Parkway  
                  Plano, Texas 75024

Lessee:        Texas Competitive Electric Holdings Company LLC  
                  1601 Bryan St.  
                  Dallas, Texas 75201-3411

Mr. Vernon A. Williams  
September 28, 2007  
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A description of the railroad equipment covered by the enclosed document is:

1120 non-rotary AutoFlood III™ railcars: TXUX 073001 - TXUX 074120.

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 \$35.00 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 stroke extending to the right.

Robert W. Alvord

RWA/sem  
Enclosures

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SURFACE TRANSPORTATION BOARD

## MEMORANDUM OF LEASE AGREEMENT

Memorandum of Lease Agreement made and entered into on September 28, 2007 by and between AIG Rail Services, Inc., a Delaware corporation (the "Lessor"), and Texas Competitive Electric Holdings Company LLC, a Delaware limited liability company (the "Lessee").

W I T N E S S E T H:

Lessor and Lessee are parties to that certain Master Railcar Lease Agreement (the "Lease Agreement"), dated as of September 28, 2007, whereby Lessor has agreed to lease to the Lessee and the Lessee has agreed to lease from Lessor certain railroad cars as listed on each Rider incorporated therein.

Lessor and Lessee have executed Riders No. 1 through No. 5 (inclusive), each dated September 28, 2007 whereby Lessor has agreed to lease to Lessee and the Lessee has agreed to lease from Lessor, certain railroad cars bearing road numbers as listed on Exhibit A hereto.

[Memorandum of Lease Agreement]

IN WITNESS WHEREOF, the undersigned have caused this memorandum to be duly executed by its respective officers and is duly authorized as of the date hereof.

**AIG RAIL SERVICES, INC.**

By: Jeffrey L. Wilkinson  
Name: Jeffrey L. Wilkinson  
Title: Vice President

Executed on this 20th day of September, 2007

**TEXAS COMPETITIVE ELECTRIC  
HOLDINGS COMPANY LLC**

By: \_\_\_\_\_  
Name:  
Title:

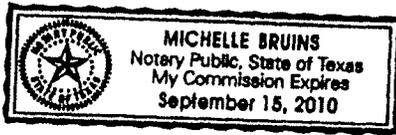
Executed on this \_\_\_ day of \_\_\_\_\_, 2007

[Memorandum of Lease Agreement]

STATE OF TEXAS )  
 ) SS:  
COUNTY OF Collin )

On this, the 26 day of September 2007, before a Notary Public in an for said County and State, personally appeared Jeffrey L. Wilkison, who being by me duly sworn, says that he is the Vice President of AIG Rail Services, Inc., that said instrument was signed on Sept. 28, 2007 on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.



Michelle Bruins  
Name:  
Notary Public

My Commission Expires: 9/15/2010  
Residing in State of Texas

STATE OF \_\_\_\_\_ )  
 ) SS:  
COUNTY OF \_\_\_\_\_ )

On this, the \_\_\_ day of \_\_\_\_\_ 2007, before a Notary Public in an for said County and State, personally appeared \_\_\_\_\_, who being by me duly sworn, says that he/she is the \_\_\_\_\_ of Texas Competitive Electric Holdings Company LLC, that said instrument was signed on \_\_\_\_\_, 2007 on behalf of said limited liability company as duly authorized, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said limited liability company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

\_\_\_\_\_  
Name:  
Notary Public

My Commission Expires:  
Residing in \_\_\_\_\_

[Memorandum of Lease Agreement]

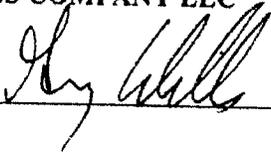
IN WITNESS WHEREOF, the undersigned have caused this memorandum to be duly executed by its respective officers and is duly authorized as of the date hereof.

**AIG RAIL SERVICES, INC.**

By: \_\_\_\_\_  
Name:  
Title:

Executed on this \_\_\_ day of \_\_\_\_\_, 2007

**TEXAS COMPETITIVE ELECTRIC  
HOLDINGS COMPANY LLC**

By:   
Name:  
Title:

Executed on this 28<sup>th</sup> day of September, 2007

[Memorandum of Lease Agreement]

STATE OF \_\_\_\_\_ )  
 ) SS:  
COUNTY OF \_\_\_\_\_ )

On this, the \_\_\_ day of \_\_\_\_\_ 2007, before a Notary Public in an for said County and State, personally appeared \_\_\_\_\_, who being by me duly sworn, says that he is the \_\_\_\_\_ of AIG Rail Services, Inc., that said instrument was signed on \_\_\_\_\_, 2007 on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

\_\_\_\_\_  
Name:  
Notary Public

My Commission Expires:  
Residing in \_\_\_\_\_

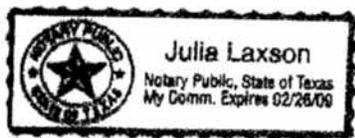
STATE OF Texas )  
 ) SS:  
COUNTY OF Dallas )

On this, the 28<sup>th</sup> day of September 2007, before a Notary Public in an for said County and State, personally appeared Greg Wilks, who being by me duly sworn, says that ~~he~~she is the Ass't. Treasurer of Texas Competitive Electric Holdings Company LLC, that said instrument was signed on September 28, 2007 on behalf of said limited liability company as duly authorized, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said limited liability company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Julia Laxson  
Name:  
Notary Public

My Commission Expires:  
Residing in \_\_\_\_\_



**EXHIBIT A**

**Equipment:** Non-rotary AutoFlood III™ railcars built in 2007 by FreightCar America, Inc. with a 4,200 cubic foot capacity and a 286,000 lb. gross rail load.

**Quantity:** Two Hundred Twenty –Four (224) Cars pursuant to each Rider referenced below for a total of One Thousand One Hundred Twenty (1120) Cars.

**Rider No. 1 Road Numbers:** TXUX 073001 through TXUX 073224 (inclusive)

**Rider No. 2 Road Numbers:** TXUX 073225 through TXUX 073448 (inclusive)

**Rider No. 3 Road Numbers:** TXUX 073449 through TXUX 073672 (inclusive)

**Rider No. 4 Road Numbers:** TXUX 073673 through TXUX 073896 (inclusive)

**Rider No. 5 Road Numbers:** TXUX 073897 through TXUX 074120 (inclusive)

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: 9/28/07



\_\_\_\_\_  
Robert W. Alvord