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April 17, 2001

Taledia Stokes
Surface Transportation Board
Recordation Office
1925 K Street, N.W., Suite 700
Washington D.C. 20423



RECORDATION NO. 23464 FILED

APR 19 '01 10-54 AM

SURFACE TRANSPORTATION BOARD

Dear Taledia,

Enclosed are two (2) originals of the **Memorandum of Railcar Lease** dated as of December 19, 2000 between the following parties:

Lessor: THE CIT GROUP/EQUIPMENT FINANCING INC
1211 Avenue of the Americas, New York, NY 10036

Lessee: CONSUMERS ENERGY COMPANY
1945 West Parnell Road, Jackson, MI 49201-8643

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

Memorandum of Railcar Lease between Lessor: THE CIT GROUP/EQUIPMENT FINANCING INC and Lessee: CONSUMERS ENERGY COMPANY covering 240 covered hopper railcars with reporting marks and numbers - CEFX 41325-41564

Please file this memorandum as a primary document and return one (1) stamped original to my attention. A check covering the filing fee of twenty-eight dollars (\$28.00) is enclosed.

If you have any questions regarding the filing, please feel free to call me at 800-634-9738 ext. 20254.

Thank you for your prompt assistance.

Sincerely,

Rebecca Heisler
Administrator

enclosure

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MEMORANDUM OF RAILCAR LEASE

THIS MEMORANDUM OF RAILCAR LEASE dated as of this 19th day of December, 2000, is made by THE CIT GROUP/EQUIPMENT FINANCING, INC., a New York corporation, with an address at 1211 Avenue of the Americas, New York, New York 10036 (the "Lessor"), and CONSUMERS ENERGY COMPANY, a Michigan corporation, with an address at 1945 West Parnell Road, Jackson, MI 49201-8643 (the "Lessee" and, together with the Lessor, the "Parties").

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SURETY TRANSPORTATION BOARD

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, the Lessor and the Lessee entered into that certain Master Railcar Lease (the "Lease") dated December 19, 2000 and Schedule No. 01 thereto dated as of December 19, 2000 (said Schedule No. 01 and the terms and conditions of said Master Railcar Lease in so far as applicable thereto and incorporated therein being hereinafter referred to as the "Lease") covering the equipment listed on Exhibit A hereto (the "Equipment").

WHEREAS, the Parties wish to show for the public record the existence of the aforesaid Lease, and the respective interests therein of the parties 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 Lessor hereby leases and confirms the lease of the Equipment to the Lessee in accordance with the terms and conditions of the Lease, and the Lessee confirms and accepts such terms and conditions, which are incorporated by reference as if fully set forth herein.

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

THE CIT GROUP/EQUIPMENT FINANCING, INC.

By: [Signature]
Name: RICHARD M. PATINI
Title: V.P.

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

CONSUMERS ENERGY COMPANY

By: [Signature]
Name: WE GRADY
Title: VP - FINANCIAL & POWER TRANSACTIONS

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[Signature]

Exhibit A

Quantity
240

Equipment Description
4480 c.f. aluminum coal gondolas

Reporting Marks and Numbers
CEFX 41325-41564