CORPORATION SERVICE COMPANY®

RECORDATION NO. 23245-G FILED

JAN 17 '06 1-25 PM

SURFACE TRANSPORTATION BOARD

JAN 17 2006
RECEIVED

January 13, 2006

Barbara Saddler
Surface Transportation Board
Recordation Office
1925 K Street, N.W., Suite 70
Washington D.C. 20423
Barbara.saddler@stb.dot.gov

REF: 149364-1

Dear Barbara,

Enclosed are two (2) originals of the **Memorandum of Railcar Lease** dated as of January 5, 2005 between the following parties:

Names and address of the following parties:

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

Lessee: **TENNESSEE VALLEY AUTHORITY**
1101 Market St, LP 5G Chattanooga, TN 37402

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: **TENNESSEE VALLEY AUTHORITY** covering 501 coal gondolas with reporting marks and numbers – CEFX 40000 – CEFX 43723 – INCLUSIVE.

Please file this memorandum as a SECONDARY document to Recordation #23245 dated 12/05/00 and return one (1) stamped original to my attention. A check covering the filing fee of thirty-three dollars ($33.00) is enclosed.

If you have any questions regarding the filing, please feel free to call me at 800-995-5071 ext. 3813

Thank you for your prompt assistance.

Sincerely,

April O'Shea
Motor Vehicle Specialist

MEMORANDUM OF RAILCAR LEASE

THIS MEMORANDUM OF RAILCAR LEASE dated as of this 5th day of January, 2005 is made by The CIT Group/Equipment Financing, Inc., a Delaware corporation, with an address at 1211 Avenue of the Americas, New York, New York 10036 (the "Lessor"), and Tennessee Valley Authority, a corporation organized and existing under the laws of the United States of America, with an address at 1101 Market Street, LP 5G, Chattanooga, Tennessee 37402-2801 (the "Lessee" and, together with the Lessor, the "Parties").

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, the Lessor and the Lessee entered into that certain Master Railcar Lease (the "Lease") dated as of November 8, 2000, covering certain equipment described therein and with respect to which a Memorandum of Railcar Lease was filed with the Surface Transportation Board ("STB") on December 5, 2000 and given Recordation Number 23245.

WHEREAS, the Parties have entered into an additional Schedule under the Lease and wish to show for the public record the existence of the aforesaid Schedule, the respective interests therein of the Parties and a description of the equipment (the "Equipment") as set forth in Schedule A hereto, 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.

RECORDATION NO. 23245-G FILED

1-25 PM

JAN 17 '06

SURFACE TRANSPORTATION BOARD

THE CIT GROUP/EQUIPMENT FINANCING, INC.

By: Joseph J. Mankowski
Name: Joseph Mankowski
Title: Senior Vice President

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.

TENNESSEE VALLEY AUTHORITY

By: Tony M. Parrish
Name: Tony M. Parrish
Title: Transportation Specialist
1/5/05

Schedule A

Number of Cars	Equipment Description
501	Aluminum Coal Gondolas

1	CEFX	40000
2	CEFX	40001
3	CEFX	40003
4	CEFX	40004
5	CEFX	40008
6	CEFX	40009
7	CEFX	40010
8	CEFX	40011
9	CEFX	40012
10	CEFX	40018
11	CEFX	40022
12	CEFX	40025
13	CEFX	40027
14	CEFX	40028
15	CEFX	40029
16	CEFX	40032
17	CEFX	40035
18	CEFX	40037
19	CEFX	40038
20	CEFX	40041
21	CEFX	40043
22	CEFX	40044
23	CEFX	40045
24	CEFX	40046
25	CEFX	40047
26	CEFX	40060
27	CEFX	40069
28	CEFX	40080
29	CEFX	40091
30	CEFX	40092
31	CEFX	40095
32	CEFX	40096
33	CEFX	40098
34	CEFX	40099
35	CEFX	40106
36	CEFX	40109
37	CEFX	40110
38	CEFX	40111
39	CEFX	40114
40	CEFX	40730
41	CEFX	40732
42	CEFX	40733
43	CEFX	40734
44	CEFX	40736
45	CEFX	40737
46	CEFX	40738
47	CEFX	40739
48	CEFX	40740
49	CEFX	40742
50	CEFX	40743
51	CEFX	40744
52	CEFX	40745
53	CEFX	40746
54	CEFX	40747
55	CEFX	40748
56	CEFX	40749
57	CEFX	40750
58	CEFX	40751
59	CEFX	40752
60	CEFX	40753
61	CEFX	40754
62	CEFX	40755
63	CEFX	40756
64	CEFX	40757
65	CEFX	40758
66	CEFX	40759
67	CEFX	40760
68	CEFX	40761
69	CEFX	40762
70	CEFX	40763
71	CEFX	40764
72	CEFX	40765
73	CEFX	40766
74	CEFX	40767
75	CEFX	40769
76	CEFX	40770
77	CEFX	40771
78	CEFX	40772
79	CEFX	40773
80	CEFX	40774
81	CEFX	40775
82	CEFX	40776
83	CEFX	40777
84	CEFX	40778
85	CEFX	40779
86	CEFX	40780
87	CEFX	40782
88	CEFX	40783
89	CEFX	40784
90	CEFX	40785
91	CEFX	40786
92	CEFX	40787
93	CEFX	40788
94	CEFX	40789
95	CEFX	40790
96	CEFX	40791
97	CEFX	40792
98	CEFX	40793
99	CEFX	40794
100	CEFX	40795
101	CEFX	40796
102	CEFX	40797
103	CEFX	40798
104	CEFX	40799
105	CEFX	40800
106	CEFX	40801
107	CEFX	40802
108	CEFX	40803
109	CEFX	40804
110	CEFX	40805
111	CEFX	40806
112	CEFX	40807
113	CEFX	40808
114	CEFX	40809
115	CEFX	40810
116	CEFX	40811
117	CEFX	40812
118	CEFX	40813
119	CEFX	40814
120	CEFX	40815
121	CEFX	40816
122	CEFX	40817
123	CEFX	40818
124	CEFX	40819
125	CEFX	40820
126	CEFX	40821
127	CEFX	40823
128	CEFX	40824
129	CEFX	40826
130	CEFX	40827
131	CEFX	40828
132	CEFX	40829
133	CEFX	40830
134	CEFX	40831
135	CEFX	40832
136	CEFX	40833
137	CEFX	40834
138	CEFX	40905
139	CEFX	40906
140	CEFX	40907
141	CEFX	40908
142	CEFX	40909
143	CEFX	40910
144	CEFX	40911
145	CEFX	40912
146	CEFX	40913
147	CEFX	40914
148	CEFX	40915
149	CEFX	40916
150	CEFX	40917
151	CEFX	40918
152	CEFX	40919
153	CEFX	41970
154	CEFX	41971
155	CEFX	41972
156	CEFX	41973

Schedule A

Number of Cars	Equipment Description
501	Aluminum Coal Gondolas

157	CEFX	41974	209	CEFX	42026	261	CEFX	42080
158	CEFX	41975	210	CEFX	42027	262	CEFX	42081
159	CEFX	41976	211	CEFX	42029	263	CEFX	42082
160	CEFX	41977	212	CEFX	42030	264	CEFX	42083
161	CEFX	41978	213	CEFX	42031	265	CEFX	42084
162	CEFX	41979	214	CEFX	42032	266	CEFX	42085
163	CEFX	41980	215	CEFX	42033	267	CEFX	42086
164	CEFX	41981	216	CEFX	42034	268	CEFX	42087
165	CEFX	41982	217	CEFX	42035	269	CEFX	42088
166	CEFX	41983	218	CEFX	42036	270	CEFX	42089
167	CEFX	41984	219	CEFX	42037	271	CEFX	42090
168	CEFX	41985	220	CEFX	42038	272	CEFX	42091
169	CEFX	41986	221	CEFX	42039	273	CEFX	42092
170	CEFX	41987	222	CEFX	42040	274	CEFX	42093
171	CEFX	41988	223	CEFX	42041	275	CEFX	42094
172	CEFX	41989	224	CEFX	42042	276	CEFX	42095
173	CEFX	41990	225	CEFX	42043	277	CEFX	42096
174	CEFX	41991	226	CEFX	42044	278	CEFX	42097
175	CEFX	41992	227	CEFX	42045	279	CEFX	42098
176	CEFX	41993	228	CEFX	42046	280	CEFX	42099
177	CEFX	41994	229	CEFX	42047	281	CEFX	42100
178	CEFX	41995	230	CEFX	42048	282	CEFX	42101
179	CEFX	41996	231	CEFX	42049	283	CEFX	42102
180	CEFX	41997	232	CEFX	42050	284	CEFX	42103
181	CEFX	41998	233	CEFX	42051	285	CEFX	42104
182	CEFX	41999	234	CEFX	42052	286	CEFX	42105
183	CEFX	42000	235	CEFX	42053	287	CEFX	42106
184	CEFX	42001	236	CEFX	42054	288	CEFX	42107
185	CEFX	42002	237	CEFX	42055	289	CEFX	42108
186	CEFX	42003	238	CEFX	42056	290	CEFX	42109
187	CEFX	42004	239	CEFX	42057	291	CEFX	42110
188	CEFX	42005	240	CEFX	42058	292	CEFX	42111
189	CEFX	42006	241	CEFX	42059	293	CEFX	42112
190	CEFX	42007	242	CEFX	42060	294	CEFX	42113
191	CEFX	42008	243	CEFX	42061	295	CEFX	42114
192	CEFX	42009	244	CEFX	42063	296	CEFX	42115
193	CEFX	42010	245	CEFX	42064	297	CEFX	42116
194	CEFX	42011	246	CEFX	42065	298	CEFX	42117
195	CEFX	42012	247	CEFX	42066	299	CEFX	42118
196	CEFX	42013	248	CEFX	42067	300	CEFX	42119
197	CEFX	42014	249	CEFX	42068	301	CEFX	42120
198	CEFX	42015	250	CEFX	42069	302	CEFX	42121
199	CEFX	42016	251	CEFX	42070	303	CEFX	42122
200	CEFX	42017	252	CEFX	42071	304	CEFX	42123
201	CEFX	42018	253	CEFX	42072	305	CEFX	42124
202	CEFX	42019	254	CEFX	42073	306	CEFX	42125
203	CEFX	42020	255	CEFX	42074	307	CEFX	42126
204	CEFX	42021	256	CEFX	42075	308	CEFX	42127
205	CEFX	42022	257	CEFX	42076	309	CEFX	42128
206	CEFX	42023	258	CEFX	42077	310	CEFX	42129
207	CEFX	42024	259	CEFX	42078	311	CEFX	42130
208	CEFX	42025	260	CEFX	42079	312	CEFX	42131

Schedule A

Number of Cars	Equipment Description
501	Aluminum Coal Gondolas

313	CEFX	42132	365	CEFX	42184	417	CEFX	43635
314	CEFX	42133	366	CEFX	42185	418	CEFX	43636
315	CEFX	42134	367	CEFX	42186	419	CEFX	43637
316	CEFX	42135	368	CEFX	42187	420	CEFX	43638
317	CEFX	42136	369	CEFX	42188	421	CEFX	43639
318	CEFX	42137	370	CEFX	42189	422	CEFX	43640
319	CEFX	42138	371	CEFX	42190	423	CEFX	43641
320	CEFX	42139	372	CEFX	42191	424	CEFX	43642
321	CEFX	42140	373	CEFX	42192	425	CEFX	43643
322	CEFX	42141	374	CEFX	42193	426	CEFX	43644
323	CEFX	42142	375	CEFX	42194	427	CEFX	43645
324	CEFX	42143	376	CEFX	42195	428	CEFX	43646
325	CEFX	42144	377	CEFX	42196	429	CEFX	43647
326	CEFX	42145	378	CEFX	42197	430	CEFX	43648
327	CEFX	42146	379	CEFX	42198	431	CEFX	43649
328	CEFX	42147	380	CEFX	42199	432	CEFX	43650
329	CEFX	42148	381	CEFX	42200	433	CEFX	43651
330	CEFX	42149	382	CEFX	42201	434	CEFX	43652
331	CEFX	42150	383	CEFX	42202	435	CEFX	43653
332	CEFX	42151	384	CEFX	42203	436	CEFX	43654
333	CEFX	42152	385	CEFX	42204	437	CEFX	43655
334	CEFX	42153	386	CEFX	42205	438	CEFX	43656
335	CEFX	42154	387	CEFX	42206	439	CEFX	43657
336	CEFX	42155	388	CEFX	42207	440	CEFX	43658
337	CEFX	42156	389	CEFX	42208	441	CEFX	43659
338	CEFX	42157	390	CEFX	42209	442	CEFX	43660
339	CEFX	42158	391	CEFX	42448	443	CEFX	43661
340	CEFX	42159	392	CEFX	42452	444	CEFX	43662
341	CEFX	42160	393	CEFX	42547	445	CEFX	43663
342	CEFX	42161	394	CEFX	42570	446	CEFX	43664
343	CEFX	42162	395	CEFX	42575	447	CEFX	43665
344	CEFX	42163	396	CEFX	42607	448	CEFX	43666
345	CEFX	42164	397	CEFX	42614	449	CEFX	43667
346	CEFX	42165	398	CEFX	42619	450	CEFX	43668
347	CEFX	42166	399	CEFX	42630	451	CEFX	43669
348	CEFX	42167	400	CEFX	42868	452	CEFX	43670
349	CEFX	42168	401	CEFX	42893	453	CEFX	43671
350	CEFX	42169	402	CEFX	43620	454	CEFX	43672
351	CEFX	42170	403	CEFX	43621	455	CEFX	43673
352	CEFX	42171	404	CEFX	43622	456	CEFX	43674
353	CEFX	42172	405	CEFX	43623	457	CEFX	43675
354	CEFX	42173	406	CEFX	43624	458	CEFX	43676
355	CEFX	42174	407	CEFX	43625	459	CEFX	43677
356	CEFX	42175	408	CEFX	43626	460	CEFX	43678
357	CEFX	42176	409	CEFX	43627	461	CEFX	43679
358	CEFX	42177	410	CEFX	43628	462	CEFX	43680
359	CEFX	42178	411	CEFX	43629	463	CEFX	43681
360	CEFX	42179	412	CEFX	43630	464	CEFX	43682
361	CEFX	42180	413	CEFX	43631	465	CEFX	43683
362	CEFX	42181	414	CEFX	43632	466	CEFX	43684
363	CEFX	42182	415	CEFX	43633	467	CEFX	43685
364	CEFX	42183	416	CEFX	43634	468	CEFX	43686

Schedule A

Number of Cars	Equipment Description
501	Aluminum Coal Gondolas

469	CEFX	43687
470	CEFX	43688
471	CEFX	43690
472	CEFX	43691
473	CEFX	43692
474	CEFX	43693
475	CEFX	43694
476	CEFX	43695
477	CEFX	43696
478	CEFX	43697
479	CEFX	43699
480	CEFX	43700
481	CEFX	43701
482	CEFX	43704
483	CEFX	43705
484	CEFX	43706
485	CEFX	43707
486	CEFX	43708
487	CEFX	43709
488	CEFX	43710
489	CEFX	43711
490	CEFX	43712
491	CEFX	43713
492	CEFX	43714
493	CEFX	43715
494	CEFX	43716
495	CEFX	43717
496	CEFX	43718
497	CEFX	43719
498	CEFX	43720
499	CEFX	43721
500	CEFX	43722
501	CEFX	43723