

RECORDATION NO. 26910 FILED

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SURFACE TRANSPORTATION BOARD

OF COUNSEL
URBAN A. LESTER

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

April 5, 2007

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 Equipment Lease Agreement, dated as of March 26, 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: Sovereign Bank
75 State Street, 4th Floor
Boston, MA 02109

Lessee: Consumers Energy Company
One Energy Plaza
Jackson, MI 49201

Mr. Vernon A. Williams
April 5, 2007
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A description of the railroad equipment covered by the enclosed document is:

250 railcars: NSTX 8301 – NSTX 8550.

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

Memorandum of Equipment 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 'R. Alvord', with a horizontal line extending to the right.

Robert W. Alvord

RWA/sem
Enclosures

MEMORANDUM OF EQUIPMENT LEASE AGREEMENT

SURFACE TRANSPORTATION BOARD

Memorandum of Master Railcar Lease Agreement No. 03262007 made and entered into March 26, 2007, by and between Sovereign Bank of 75 State Street 4th floor – mail stop MA1-SST-0411, Boston, MA 02109, as Lessor ("Lessor"), and Consumers Energy Company of One Energy Plaza, Jackson Michigan 49201, as Lessee ("Lessee").

WITNESSETH:

The undersigned have entered into that certain Master Railcar Lease Agreement, dated as of March 26, 2007 (the "Lease Agreement"), whereby the Lessor has agreed to lease to Lessee and Lessee has agreed to lease from Lessor certain railroad equipment bearing reporting marks as listed on Exhibit A attached hereto, effective as of the date first set forth hereinabove and subject to the term defined in said Lease Agreement.

IN WITNESS WHEREOF, the parties hereto have each caused this memorandum to be duly executed by their respective officers duly authorized as of the date and year first above written.

SOVEREIGN BANK

By *Dennis Smith*
Name: Dennis Smith
Title: VP

Executed on this 27 day of March 2007

CONSUMERS ENERGY COMPANY

By *W E Garrity*
Name: W E GARRITY
Title: SENIOR VICE PRESIDENT

Executed on this 2 day of April, 2007.

Handwritten notes and dates:
wce
DWB
3/30/07
3/30/07

State of Massachusetts)
County of Suffolk) ss:

On this 29th day of March, 2007, before me, a notary public in and for the county and state aforesaid, personally appeared Dennis Smith, to me personally known, who, being by me duly sworn, says that he/she is a Vice President of Sovereign Bank, that the said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of the corporation.



Carol A. Larkin
NOTARY PUBLIC

My commission expires:

State of Michigan)
County of Jackson) ss:

On this 2nd day of April, 2007, before me, a notary public in and for the county and state aforesaid, personally appeared William E. Garrity, to me personally known, who, being by me duly sworn, says that he/she is a Senior Vice President of Consumers Energy Company, that the said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of the corporation.

LUCINDA A. BURGENIER
NOTARY PUBLIC, STATE OF MI.
COUNTY OF JACKSON
MY COMMISSION EXPIRES JUL 18, 2011
ACTING IN COUNTY OF Jackson

Lucinda A. Burgenier
NOTARY PUBLIC

My commission expires: 7-18-2011

EXHIBIT A

250

**Aluminum BethGon
CoalPorter Rail Cars
manufactured by FreightCar
America, Inc.**

NSTX 8301 – NSTX 8550