

RECORDATION NO. 7918-A

Filed & Recorded

SUPPLEMENT TO EQUIPMENT LEASE AGREEMENT

MAY 20 1975-9 50 AM

INTERSTATE COMMERCE COMMISSION

THIS SUPPLEMENT ("Supplement") to that certain Equipment Lease Agreement of May 14, 1975 (the "Lease"), between GREYHOUND LEASING & FINANCIAL CORPORATION ("Lessor") and THE DETROIT EDISON COMPANY ("LESSEE"), is made and entered into this 14 day of May, 1975.

W I T N E S S E T H :

WHEREAS, Lessor and Lessee did enter into the afore-said Lease to govern the leasing of the Equipment (as hereinafter defined); and

WHEREAS, Lessor and Lessee have agreed to certain additional terms and conditions that are not covered by the Lease, which they desire to set forth herein and incorporate into the Lease;

NOW, THEREFORE, in consideration of the premises and other consideration the sufficiency of which is hereby acknowledged, the parties hereto do hereby mutually agree as follows:

1. Definitions. As used herein, the following terms shall have the following meanings:

~~Road~~ (a) "Equipment" shall mean a total of three hundred (300) New Pullman-Standard 100 Ton Steel Gondola Railroad Cars manufactured by the Vendor bearing Serial Nos.: DEEX5501-5800 (the "Gondolas") and five (5) new General Electric Model U30C, 3,000 h.p. Class C-C Road Locomotives bearing Road Nos. DE-018 to DE-022 (the "Locomotives"); and

(b) "Cost" shall mean and refer to the consideration which Lessor shall be required to expend in the purchase of the Equipment in order to purchase the same, and such Cost shall approximate Nine Million Dollars (\$9,000,000) for Gondolas and Two Million Three Hundred Thirty Thousand Four Hundred Forty Five Dollars (\$2,330,445) for the Locomotives; and

(c) "Vendor" shall mean the seller of the Equipment to Lessor for purposes of lease to Lessee, which shall be Pullman-Standard, a division of The Pullman Company for the Gondolas and General Electric Corporation for the Locomotives.

2. Purchase and Leasing of Equipment. As and when the various Units of Equipment are delivered by the Vendor to the Lessee (which for purposes of acceptance shall be deemed to be the agent of Lessor), Lessor agrees to purchase the same directly from Vendor, PROVIDED THAT Lessee is satisfied with the delivery and the condition of said Equipment, and PROVIDED FURTHER that the conditions enumerated in paragraph 12 of this Supplement shall have been fulfilled. Simultaneously with Lessor's purchase of the Equipment from Vendor, Lessor will commence leasing the same to Lessee, and, in this connection, Lessee agrees to execute Schedules for each batch or group of Equipment delivered to Lessee, which will serve to appropriate said Equipment to the Lease and to evidence the commencement of the term of said Lease, and which shall be substantially in the form of Exhibit C which is attached hereto and made a part hereof.

3. Rents and Rental Adjustments. Lessee agrees to pay Lessor, as consideration for the leasing of the Equipment, rent, which shall for each Schedule to the Lease be payable in a total of sixty (60) consecutive quarterly installments, each of which shall be payable in arrears. Subject to the next sentence of this paragraph 3, each such quarterly installment of rent for that portion of the Equipment covered on any one Schedule to the Lease shall for the Gondolas equal 2.92049% of Cost of such portion of the Equipment and for the Locomotives equal 3.008865% of Cost of such portion of the Equipment. Lessor and Lessee acknowledge that such rentals are predicated and based upon a Prime rate of interest (as that term is defined in Exhibit A hereto) of seven and one-half percent (7-1/2%), and they do further agree that said rentals for the leasing of Equipment shall be subject to periodic variation with corresponding changes in said Prime rate of interest, in accordance with the formula that is attached hereto and marked Exhibit A.

4. Term. The term of this Lease shall have a duration of fifteen (15) consecutive years commencing with the purchase by Lessor of the Equipment. Such term shall not be subject to premature termination by either party hereto, except that in the event of a default under the Lease by Lessee, Lessor shall be entitled to terminate said term in accordance with the default provisions of the Lease.

5. Purchase Option. At the expiration of the fifteen (15) year term of the Lease, or at the expiration of any renewal period, if the option under paragraph 6 shall have been exercised, Lessee shall be entitled to purchase the Equipment from Lessor at a price equivalent to its then fair market value, PROVIDED THAT (i) Lessee shall not then be in default under the Lease, (ii) Lessee shall exercise this option as to all of the Equipment then on lease, and (iii) Lessee shall have afforded Lessor with at least six (6) months, but not more than one (1) year's, prior written notice of its election to exercise this option. In the event Lessor and Lessee are unable to arrive at the fair market value of the Equipment at least two (2) months prior to the end of the lease term or relevant renewal term, if any, then the fair market value of the Equipment shall be determined in the following manner:

Lessor and Lessee will each select a qualified appraiser, which two appraisers will then mutually select a third qualified appraiser. All three appraisers will then independently determine an estimated fair market value for the Equipment. The arithmetic average of the three estimated market values shall be the market value which Lessor shall sell the Equipment to Lessee.

6. Renewals. At the expiration of the fifteen (15) year term of the Lease, Lessee shall be entitled to renew said term at rentals equivalent to the then fair rental value of the Equipment, which shall also be payable quarterly in arrears, PROVIDED THAT the same conditions precedent to the valid exercise of the purchase option contained in paragraph 5 hereof shall have been fulfilled. The procedure for determining the fair rental value shall be the same as for fair market value as set forth in Paragraph 5 hereof.

7. Federal Tax Benefits.

A. Definitions. As used herein, the following terms shall be accorded the following meanings:

(1) "IRC" shall mean the Internal Revenue Code of 1954, as amended;

(2) "ITC" shall mean the credit against Federal income taxes which are imposed by the IRC, which credit emanates from the purchase of, or investment in, certain depreciable property pursuant to the provisions of Section 38 et seq. of the IRC;

(3) "Depreciation" shall mean the most favorable depreciation benefits allowable to Lessor as a deduction for Federal income taxes on account of the ownership of certain depreciable property by virtue of Section 167 of the IRC and Regulations issued pursuant thereto;

(4) "Tax Benefits" shall mean both (i) ITC, and (ii) Depreciation; and

(5) "Determination" shall have the meaning accorded to said term by virtue of Section 1313 of the IRC.

B. Tax Benefits. Lessor confirms to Lessee, and Lessee acknowledges, that Lessor shall be the party entitled to claim the Tax Benefits presently available under applicable provisions of the IRC on Lessor's purchase and ownership of the Equipment purchased and leased hereunder, and therefore, Lessee agrees that it (i.e., Lessee) shall not be entitled to, nor will it claim, such Tax Benefits.

C. Indemnification. In the event of a change in the tax laws subsequent to the date of execution of this Lease, but prior to the date of purchase by Lessor of any affected Equipment, if such change has an adverse effect upon Tax Benefits herein granted to, and claimed by, Lessor, or in the further event that, subsequent to the purchase of the Equipment, Lessor should not be able to take advantage of the Tax Benefits, or any part thereof, on account of any act or omission on the part of Lessee causing loss of such Tax Benefits, or on account of the Equipment's being used or placed into service prior to Lessor's purchase thereof, then Lessee agrees to restore Lessor to the same after-tax financial position it would otherwise enjoy had such Tax Benefits not been lost in the first instance, by paying to Lessor the sum of (i) the amount which, after deduction of all taxes required to be paid by Lessor in respect of the receipt of such sum under the laws of any federal, state or local government or taxing authority in the United States, or under the laws of any taxing authority or any government subdivision of any foreign country, would be equal to the amount of the Tax Benefits so lost, and (ii) the amount of any interest (including any additions of tax because of underpayment of estimated tax) which may be payable to the United States government by Lessor in connection with such loss of Tax Benefits.

D. Indemnification Payment Date. In the event that Lessee becomes obligated to pay Lessor any sum or sums pursuant to the provisions of this Supplement, then such sum or sums shall become due and payable thirty (30) days after the time at which there shall be a determination that Lessor shall no longer be eligible to claim or retain the Tax Benefits or any portion thereof.

8. Representations and Warranties of Lessee. Lessee hereby represents and warrants to Lessor as follows:

(a) Lessee is a corporation duly organized, validly existing and in good standing under the laws of the States of Michigan and New York, and is duly qualified to do business and in good standing as a foreign corporation in every jurisdiction in which the nature of its business requires such qualification.

(b) Lessee has taken all corporate action which may be required by its Charter or Articles or Certificate of Incorporation and its By-Laws; and by the laws of its state of incorporation and all other applicable laws, to authorize the execution, delivery and performance of the Lease.

(c) The execution and delivery of the Lease and the performance by Lessee of its obligations hereunder will not conflict with or violate any provisions of its Charter or Articles or Certificate of Incorporation, its By-Laws, or any provisions of, or result in a default or acceleration of any obligation under, any mortgage, lease, contract, agreement, indenture, other instrument or undertaking, order, decree or judgment to which Lessee is a party or by which it is bound.

(d) There is no litigation pending or threatened against Lessee before any court or administrative agency which may have a materially adverse effect on the assets, business, financial condition or operations of Lessee, or which would prevent or hinder the performance by Lessee of its obligations under the Lease.

(e) The Lease, this Supplement and all other documents executed under, in conjunction with, and pursuant to the Lease, constitute a valid obligation of Lessee, which is binding and enforceable against it in accordance with the terms hereof and thereof, and that the Lease has been recorded with the Interstate Commerce Commission.

(f) The financial statements of Lessee that have heretofore been furnished to Lessor in connection with the negotiation of the transaction, which is the subject of this Lease, are true and correct, they present an accurate picture of the financial condition of Lessee, and they are not misleading and do not contain any misstatement or misrepresentation of fact, nor do they omit to state any material facts.

(g) Lessee is not in default under the Lease.

(h) Lessee is fully familiar with the terms of the Lease.

9. Lessor's Warranty and Disclaimer. Lessor hereby covenants, warrants and represents that (i) the Equipment shall be owned by it (PROVIDED, HOWEVER, that this provision in no way shall be deemed or construed to preclude or prohibit Lessor from exercising its rights under paragraph XI of the Lease), (ii) Lessor shall have the right to lease the Equipment to Lessee under the Lease, and (iii) Lessee shall have the exclusive right to possession and quiet enjoyment of the Equipment for the duration of the Lease term, so long as Lessee shall not be in default under the Lease. THE FOREGOING WARRANTY IS IN LIEU OF ANY AND ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, IT BEING UNDERSTOOD AND AGREED THAT LESSOR EXTENDS NO OTHER WARRANTY TO LESSEE. LESSOR SPECIFICALLY AND

EXPLICITLY DISCLAIMS ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE, AND LESSEE AGREES TO ACCEPT THE EQUIPMENT "AS IS." Lessor agrees to assign to Lessee any and all warranties which it receives from the Vendor of the Equipment and, to the extent that any of such warranties are not assignable, Lessee shall be subrogated to any and all the rights which Lessor may have against said Vendor.

10. Default. By way of an addition to paragraph X of the Lease, LESSEE, FOR AND IN CONSIDERATION OF AND AS AN INDUCEMENT TO LESSOR TO ENTER INTO THE LEASE, HEREBY VOLUNTARILY AND KNOWINGLY WAIVES ANY AND ALL RIGHTS TO NOTICE AND/OR HEARING PRIOR TO ANY RETAKING OF POSSESSION OR REPLEVY BY LESSOR, ITS AGENTS OR ASSIGNS UPON DEFAULT OF LESSEE, AND FOR THAT PURPOSE LESSOR MAY, AS FAR AS THE LESSEE CAN GIVE AUTHORITY THEREFOR, ENTER UPON ANY PREMISES ON WHICH THE EQUIPMENT MAY THEN BE SITUATED AND REMOVE THE SAME THEREFROM. LESSOR MAY REQUIRE THE LESSEE TO DELIVER THE EQUIPMENT TO LESSOR AT A PLACE TO BE DESIGNATED BY LESSOR WHICH IS REASONABLY CONVENIENT TO BOTH PARTIES. LESSEE SHALL BE LIABLE TO LESSOR FOR, AND LESSOR MAY RECOVER FROM, LESSEE ALL REASONABLE COSTS AND EXPENSES, INCLUDING REASONABLE ATTORNEYS' FEES AND OTHER LEGAL EXPENSES, INCURRED BY LESSOR IN OBTAINING POSSESSION OF THE EQUIPMENT.

11. Prepayment of Rent. Lessee agrees upon execution of this Supplement to pay unto Lessor the sum of One Hundred Thousand Dollars (\$100,000.00), which sum shall constitute a prepayment of rent and be applied against the initial installments of rental due hereunder. In the event, however, this transaction is not consummated, for whatever reason other than default of Lessor, said sum of \$100,000 shall be held and retained by Lessor and shall constitute the consideration payable to Lessor for Lessor's having advanced its commitment as reflected in the Lease and this Supplement thereto.

12. Conditions. Lessor's obligation to purchase the Equipment and lease the same to Lessee are contingent upon the fulfillment of the following conditions:

(a) Lessee shall not be in default under the Lease;

(b) There shall not have occurred a material adverse change in Lessee's financial condition, as the same is reflected in the financials referred to in Section 8(f) above;

(c) Lessor shall have received from Lessee an opinion of Lessee's legal counsel at Lessee's expense, confirming and substantiating the accuracy of all warranties and representations advanced by Lessee under Section 8 above;

(d) The Vendor of the Gondolas and Locomotives shall be ready, willing and able to sell the Equipment to Lessor at a total Cost not to exceed Nine Million Dollars (\$9,000,000) and Two Million Three Hundred Thirty Thousand Four Hundred Forty Five Dollars (\$2,330,445) respectively, on or before June 30, 1975, such Equipment to be free and clear of any and all liens and encumbrances; such sale shall be evidenced by the execution by Vendor and the delivery to Lessor of a Warranty Bill of Sale or Warranty Bills of Sale for each of the 300 Gondolas and 5 Locomotives comprising the Equipment.

(e) Lessee shall be satisfied with the condition of the Equipment, and Lessor shall have received written notification to such effect;

(f) The Equipment shall not have been used or placed into service prior to Lessor's purchase of same, and Lessor shall have received written assurance to this effect; and

(g) Lessor shall have received from Lessee the sum of One Hundred Thousand Dollars (\$100,000) which shall take the form of a prepayment of rent and shall be applied in accordance with the provisions of paragraph 11;

(h) The Lease has been recorded with the Interstate Commerce Commission.

13. Insurance. Paragraph VII of the Equipment Lease Agreement is hereby stricken and in its place is substituted the following:

"VII. INSURANCE: At its own expense, Lessee will maintain physical damage insurance on each leased unit for the actual value of each leased Unit, but in no event less than the "Stipulated Loss Value" specified in the Stipulated Loss Value Schedule. Such insurance, may contain a \$250,000 deductible provision for any one occurrence, name the Lessor as an additional insured, shall be written with

insurers of recognized responsibility, shall provide that it may be altered or cancelled by the insurer only after thirty (30) days written notice to the Lessor, shall provide that losses shall be adjusted with the Lessee and the proceeds payable to the Lessee, Lessor and its assignee, if any, as their interests appear. Certificates or other evidence showing the existence of such insurance, the terms and conditions of the policy shall be delivered to Lessor forthwith and prior to each expiration of such insurance.

"At its own expense, Lessee will maintain bodily injury liability and property damage liability insurance with respect to the Leased Units, in an amount of not less than \$25,000,000 for each occurrence. Such insurance, may contain a \$500,000 deductible provision for any one occurrence, name the Lessor as an additional insured, shall be written with insurers of recognized responsibility and shall provide that it may be altered or cancelled by the insurer only after thirty (30) days written notice to the Lessor. Certificates or other evidence showing the existence of such insurance, the terms and conditions of the policy shall be delivered to Lessor forthwith and prior to each expiration of such insurance."

14. Stipulated Loss Values. Stipulated Loss Values of the Equipment for the term of the Lease shall be that amount that is calculated as the product of Cost of said Equipment times the applicable percentages shown in the table that is contained in Exhibit B and B-1 hereto.

15. Notices. All notices hereunder shall be in writing and shall be deemed to have been duly given if sent by certified mail, postage prepaid, to the following addresses:

If to Lessee: The Detroit Edison Company
2000 Second Avenue
Detroit, Michigan 48226
Attention: Manager of Finance

If to Lessor: Greyhound Leasing & Financial Corporation
Greyhound Tower
Phoenix, Arizona 85077
Attention: Vice President - Operations

16. Early termination for obsolescence. If after completion of 10 years of the lease term any of the Equipment is deemed to be obsolete by Lessee, Lessee shall notify Lessor of same specifying the relevant Units of Equipment in writing and request that the Lease be terminated as to those Units of Equipment. Upon receipt of said written notice Lessor may terminate the Lease as to said Units of Equipment and require that said Units of Equipment be redelivered to Lessor by Lessee pursuant to Paragraph IX of the Lease with no further obligation on the part of Lessee for said Units of Equipment or Lessor may, at its option, require Lessee to purchase said Units of Equipment from Lessor at a price equal to the then stipulated loss value for said Units of Equipment or the fair market value for said Units of Equipment, whichever is higher, plus an amount equal to 4% of the aforesaid stipulated loss value or fair market value, whichever is relevant.

as determined in Paragraph 5 hereof

17. Further Assurances. Both Lessor and Lessee agree from time to time throughout the term of the Lease to execute such additional documents and to perform such further acts as may be reasonably requested by the other party in order to carry out and effectuate the purposes and intents of the Lease.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective officers thereunto duly authorized, as of the date first above written.

THE
 ^ DETROIT EDISON COMPANY,
 LESSEE

By [Signature]
 Its Senior Executive Vice
 President - Finance

By [Signature]
 Its Assistant Secretary

STATE OF MICHIGAN)
)
 COUNTY OF WAYNE)

Subscribed and Sworn to before
 me this 10th day of May, 1975.

[Signature]
 Notary Public

GREYHOUND LEASING & FINANCIAL
 CORPORATION, LESSOR

By [Signature]
 Its Vice President

By [Signature]
 Its Assistant Secretary

STATE OF ILLINOIS)
)
 COUNTY OF COOK)

Subscribed and Sworn to before
 me this 14th day of May, 1975.

[Signature]
 Notary Public

My Commission Expires: May 14, 1976 My Commission Expires:

Sept., 28, 1978

RENTAL PAYMENT ADJUSTMENT

1. For purposes of this Agreement, adjustments to the Rental Payments, as hereinafter defined, because of changes in Prime will be made four (4) times a year and therefore changes in the Prime will be recognized only four (4) times a year, i.e., December 1, March 1, June 1 and September 1 (hereinafter referred to as the "Prime Change Dates"). On each Prime Change Date the Prime will be compared to the Prime which was in effect on the immediately preceding Prime Change Date. If a change did in fact occur said change will be recognized and an increase or decrease in Prime, whichever is applicable, will be deemed to have occurred. If December 1, March 1, June 1 or September 1 should fall on a non-business day of First National City Bank, said Prime Change Dates shall be the first business day thereafter of said bank.

2. If at any time during the basic lease term there should be a change in Prime the quarterly rental payments (hereinafter the "Rental Payments") shall be adjusted in the following manner:

(a) If an increase in Prime should be recognized during the basic lease term each Rental Payment due at any time on or subsequent to the first day of the month after the Prime Change Date upon which said increase was recognized shall be increased by adding to the Initial Rental Payment an amount equal to forty percent (40%) of the stipulated loss value of the equipment (hereinafter the "Stipulated Loss Value") applicable on the Prime Change Date upon which said increase was recognized, multiplied by a fraction the numerator of which is the increase in Prime and the denominator of which is 4.

(b) If a decrease in Prime should be recognized during the basic lease term, each Rental Payment due at any time on or subsequent to the first day of the month after the Prime Change Date upon which said decrease was recognized shall be decreased by subtracting from the Initial Rental an amount equal to forty percent (40%) of the Stipulated Loss Value of the equipment applicable on the Prime Change Date upon which said decrease was recognized, multiplied by a fraction the numerator of which is the decrease in Prime and the denominator of which is 4.

3. In the event of more than one change in the Prime being recognized during the basic lease term the resulting adjustments to the initial Rental shall be cumulative.

4. For purposes of this Agreement, U. S. Prime Rate shall mean First National City Bank's best rate in effect from time to time on ninety (90) day loans to responsible and substantial commercial borrowers.

5. Notwithstanding anything contained hereinabove to the contrary, at the time of the commencement of the term of each of the respective schedules covered by the Lease, the Prime Change Date for the remainder of the then calendar quarter shall be the first business day of the First National City Bank of the then current calendar month. The Prime Change Dates from that time on shall be the same as defined in Paragraph 1 hereof.

EXHIBIT A

EXHIBIT A-1

The following example illustrates the application of the formula in Exhibit "A" for Gondolas.

Assume a 1% increase in Prime. Notwithstanding Exhibits "B" and "B-1" for purposes only of adjusting rents for changes in Prime and Stipulated Loss Values shall never exceed 100% of cost.

The adjustment to rent payments due to a change in prime rate is:

$$R^1 = R + r$$

$$R^1 = \text{Adjusted Rental Payment}$$

$$R = \text{Base Rental Payment (2.92049\%)}$$

$$r = .4 \times S \times \frac{(P^1 - P)}{4}$$

$$S = \text{Stipulated Loss Value}$$

$$P^1 = \text{Prime at Rental Payment Time}$$

$$P = \text{Base Prime (7.5\%)}$$

(Rental Payment 1)

$$P = 7.5\% = .075$$

$$P^1 = 8.5\% = .085$$

$$S = 100\% = 1.000$$

$$R = 2.92049 = .0292049$$

$$r = .4 \times 1.000 \times \frac{(.085 - .075)}{4} = .001$$

$$R = .0292049 + .001 = .0302049$$

EXHIBIT A-1

(Rental Payment 10)

$$S = 100.0\% - 1.000$$

$$r = .4 \times 1.000 \times \frac{(.0875 - .075)}{4} = .001$$

$$R = .0302049$$

(Rental Payment 50)

$$S = 44.2\% = .442$$

$$r = .4 \times .442 \times \frac{(.085 - .075)}{4} = .000442$$

$$R = .0296469$$

(Rental Payment 60)

$$S = 17.9\% = .179$$

$$r = .4 \times .179 \times \frac{(.085 - .075)}{4} = .000179$$

$$R = .0293839$$

EXHIBIT "B"

Stipulated Loss Values for Gondolas expressed as a percentage of Cost:

<u>At Beginning of Quarter No:</u>	<u>Stipulated Loss Value</u>
1	100%
2	101.8%
3	102.4%
4	103.0%
5	103.5%
6	103.9%
7	104.3%
8	104.6%
9	104.8%
10	105.0%
11	105.1%
12	105.2%
13	98.8%
14	98.7%
15	98.6%
16	98.5%
17	98.2%
18	97.9%
19	97.6%
20	97.1%
21	92.3%
22	91.3%
23	90.3%
24	89.2%
25	88.1%
26	87.0%
27	86.1%
28	85.2%
29	83.2%
30	81.8%
31	80.4%
32	79.0%
33	77.5%
34	75.9%
35	74.3%
36	72.6%
37	70.9%
38	69.2%
39	67.4%
40	65.5%
41	63.6%
42	61.6%
43	59.6%

<u>At Beginning of Quarter No:</u>	<u>Stipulated Loss Value</u>
44	57.6%
45	55.5%
46	53.3%
47	51.1%
48	48.9%
49	46.6%
50	44.2%
51	41.8%
52	39.3%
53	36.8%
54	34.3%
55	31.7%
56	29.0%
57	26.3%
58	23.6%
59	20.8%
60	17.9%
Thereafter	15.0%

Stipulated Loss Values for Locomotives expressed as a percentage of Cost:

<u>At Beginning of Quarter No:</u>	<u>Stipulated Loss Value</u>
1	100%
2	102.02%
3	102.71%
4	103.34%
5	103.9%
6	104.4%
7	104.8%
8	105.2%
9	105.5%
10	105.7%
11	105.9%
12	106.0%
13	99.7%
14	99.7%
15	99.6%
16	99.5%
17	99.3%
18	99.0%
19	98.7%
20	98.3%
21	93.5%
22	92.5%
23	91.6%
24	90.5%
25	89.4%
26	88.3%
27	87.4%
28	86.5%
29	84.5%
30	83.2%
31	81.8%
32	80.3%
33	78.8%
34	77.2%
35	75.6%
36	73.9%
37	72.2%
38	70.4%
39	68.6%
40	66.7%
41	64.8%
42	62.8%
43	60.8%

<u>At Beginning of Quarter No:</u>	<u>Stipulated Loss Value</u>
44	58.7%
45	56.5%
46	54.3%
47	52.1%
48	49.8%
49	47.4%
50	45.0%
51	42.5%
52	40.0%
53	37.5%
54	34.8%
55	32.2%
56	29.4%
57	26.6%
58	23.8%
59	20.9%
60	17.9%
Thereafter	15.0%

GREYHOUND LEASING & FINANCIAL CORPORATION
GREYHOUND TOWER
PHOENIX, ARIZONA 85077

SCHEDULE NO. 1

EQUIPMENT LEASE SCHEDULE

1. DESCRIPTION OF EQUIPMENT:

- (1) GLFC No. 8-6458
- (2) Description 300 New Pullman Standard 100 ton steel bodied, high side Rotary dump gondola cars, Serial Nos. ^E~~DEX~~5501-5800 Cost Per Car: \$29,950.00

2. SITUATE: Continental United States

3. TERM: 180 MONTHS COMMENCING _____

4. RENT:

A. Total Rent \$ 15,744,361.00

B. Deposit to be applied pro-rata against 1st quarterly rent \$ 75,000.00

C. RENT: Payable Quarterly in ~~advance~~ arrears

1st Year	\$ <u>262,406 per quarter</u>	9th Year	\$ <u>262,406 per quarter</u>
2nd Year	\$ " " "	10th Year	\$ " " "
3rd Year	\$ " " "	11th Year	\$ " " "
4th Year	\$ " " "	12th Year	\$ " " "
5th Year	\$ " " "	13th Year	\$ " " "
6th Year	\$ " " "	14th Year	\$ " " "
7th Year	\$ " " "	15th Year	\$ " " "
8th Year	\$ " " "	Thereafter	\$ <u>- 0 -</u>

5. RENEWAL OPTION: Lessee may renew lease on a year to year basis upon expiration of the term as specified in Item 3 above at an annual rental of \$ Fair Rental Value payable in ~~advance~~ arrears.

6. INSURANCE: See Section 13 of the Supplement to the Lease Agreement

7. STIPULATED LOSS VALUE: Amount to be paid pursuant to paragraph VIII of Equipment Lease Agreement for leased equipment lost, stolen, destroyed or damaged beyond repair during each year of the term: See Exhibit "B" to Supplement to the Lease Agreement

1st	\$ <u>/</u>	5th	\$ <u>/</u>	9th	\$ <u>/</u>	13th	\$ <u>/</u>
2nd	\$ <u>/</u>	6th	\$ <u>/</u>	10th	\$ <u>/</u>	14th	\$ <u>/</u>
3rd	\$ <u>/</u>	7th	\$ <u>/</u>	11th	\$ <u>/</u>	15th	\$ <u>/</u>
4th	\$ <u>/</u>	8th	\$ <u>/</u>	12th	\$ <u>/</u>	Thereafter	\$ <u>/</u>

8. SPECIAL CONDITIONS: Quarterly rental set forth in Paragraph 4 hereof is based on a 7.50% prime rate and shall float with prime as set forth in the Supplement to the Lease Agreement.

APPROVED AND AGREED TO this _____ day of _____, 1975 as a schedule to and part of Equipment Lease Agreement dated the 14th day of May, 1975.

THE DETROIT EDISON COMPANY
LESSEE

GREYHOUND LEASING & FINANCIAL CORPORATION,
LESSOR

By _____
TITLE

By _____
VICE PRESIDENT

(Seal) By _____
TITLE

(Seal) By _____
Asst. SECRETARY

GREYHOUND LEASING & FINANCIAL CORPORATION

GREYHOUND TOWER
PHOENIX, ARIZONA 85077

SCHEDULE NO. 2

EQUIPMENT LEASE SCHEDULE

1. DESCRIPTION OF EQUIPMENT:

- (1) GLFC No. 8-6459
(2) Description 5 new General Electric Model U30C, 3,000 h.p. Class C-C road locomotives Serial Nos. DE-018 - DE-022 as more fully described in Exhibit X attached hereto

2. SITUATE: Continental United States

3. TERM: 180 MONTHS COMMENCING

4. RENT:

A. Total Rent \$ 4,207,197.00
B. Deposit \$ 25,000.00
to be applied pro-rata to 1st quarterly rent

C. RENT: Payable quarterly in arrears

Table with 4 columns: Year, Amount, Year, Amount. Rows for 1st through 8th years and thereafter. Amounts are \$70,119.95 per quarter.

5. RENEWAL OPTION: Lessee may renew lease on a year to year basis upon expiration of the term as specified in Item 3 above at an annual rental of \$ Fair Rental Value payable in arrears.

6. INSURANCE: See Section 13 of the Supplement to the Lease Agreement

7. STIPULATED LOSS VALUE: Amount to be paid pursuant to paragraph VIII of Equipment Lease Agreement for leased equipment lost, stolen, destroyed or damaged beyond repair during each year of the term: See Exhibit "B-1" Supplement to the Lease Agreement.

Table with 4 columns: Year, Amount, Year, Amount. All cells are crossed out with a diagonal line.

8. SPECIAL CONDITIONS: Quarterly rental set forth in Paragraph 4 hereof is based on a 7.50% prime rate and shall float with prime as set forth in the Supplement to the Lease Agreement.

APPROVED AND AGREED TO this 14th day of May, 1975 as a schedule to and part of Equipment Lease Agreement dated the 14th day of May, 1975.

THE DETROIT EDISON COMPANY LESSEE

GREYHOUND LEASING & FINANCIAL CORPORATION, LESSOR

By TITLE

By VICE PRESIDENT

(Seal)

(Seal)

By TITLE

By Asst. SECRETARY

