

HOGAN & HARTSON

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

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9-110A034
7928-E
RECORDATION NO. 7928-E FILED 1423
APR 20 1989 -2 55 PM
INTERSTATE COMMERCE COMMISSION

April 20, 1989

Washington, D. C.

Ms. Noreta R. McGee
Secretary
Interstate Commerce Commission
12th Street and Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Ms. McGee:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. § 11303 are two copies of an Assignment and Assumption of Lease Agreement, which have been certified as certified true copies in accordance with 49 C.F.R. § 1177.3(b). The primary document to which this is connected is recorded under recordation number 7928.

The names and addresses of the parties to the enclosed document are:

Assignor: PLM Investment Management Inc., as agent for
PLM Railcar Management Services, Inc.
c/o PLM International, Inc.
655 Montgomery Street
Twelfth Floor
San Francisco, California 94111

Assignee: PLM Income Advantage Fund
c/o PLM International, Inc.
655 Montgomery Street
Twelfth Floor
San Francisco, California 94111

A description of the railroad equipment covered by the enclosed document is set forth in Exhibit B to the enclosed document.

Also enclosed is a check in the amount of \$13.00 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kevin Lane

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HOGAN & HARTSON

Ms. Noreta R. McGee
April 20, 1989
Page 2

Kindly return one stamped copy to Patrick M. Raher,
Hogan & Hartson, 555 Thirteenth Street, N.W., Washington, D.C.
20004.

Following is a short summary of the enclosed document:

Assignment and Assumption of Lease Agreement dated as of
December 30, 1988 between PLM Investment Management Inc.
as agent for PLM Railcar Management Services, Inc. and
PLM Income Advantage Fund, with respect to the railroad
equipment described in Exhibit B thereto.

Please feel free to call me with any questions which you
may have concerning the above.

Sincerely yours,


Patrick M. Raher

Enclosure

APR 20 1989 - 2 55 PM

INTERSTATE COMMERCE COMMISSION

ASSIGNMENT AND ASSUMPTION OF LEASE AGREEMENT

This Assignment and Assumption of Lease Agreement (the "Assignment") is made as of this 30th day of December, 1988, by and between PLM INVESTMENT MANAGEMENT INC., as agent for PLM RAILCAR MANAGEMENT SERVICES, INC. (collectively, "IMI"), and PLM INCOME ADVANTAGE FUND ("Income Advantage").

WHEREAS, pursuant to an Assignment and Assumption Agreement of Lease ("Lease Agreement") dated September 28, 1988, IMI leased to THE DETROIT EDISON COMPANY ("Lessee") certain railcars. The Lease Agreement is attached hereto as Exhibit A.

AND WHEREAS, IMI desires to assign to Income Advantage and Income Advantage desires to assume all of IMI's right, title, interest, duties, obligations and liabilities in the Lease Agreement with respect to the 450 cars described in Exhibit B, attached hereto (hereinafter referred to as the "Equipment").

NOW, THEREFORE, the parties hereby warrant, represent, and agree as follows:

IMI hereby sells, assigns, transfers and conveys to Income Advantage its successors and assigns, all its right, title, interests, duties, obligations and liabilities (the "Interests") in and to the Lease Agreement with respect to the Equipment, and all payments due and to become due thereunder.

IMI warrants that the Lease Agreement and all related instruments are genuine and enforceable, all statements therein contained are true; the Equipment has been delivered to the Lessee in condition satisfactory to Lessee, and to date, IMI has complied with all its warranties and other obligations to the Lessee.

Income Advantage hereby agrees to accept the foregoing assignment of the Interests in the Lease Agreement and to assume and perform all the duties and obligations to be performed by IMI under the Lease Agreement with respect to the Equipment to the same extent as if Income Advantage had been the original party thereto.

Except as modified herein, the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this document on the date set forth below:

PLM INVESTMENT MANAGEMENT, INC.

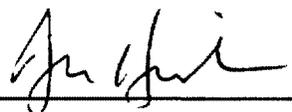
By: 

Its: SN-V.P.

Date: 12/29/88

PLM INCOME ADVANTAGE FUND

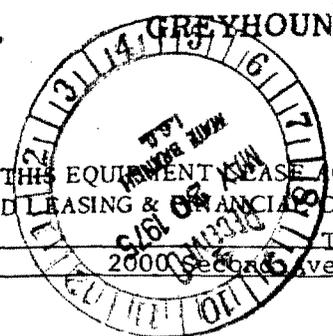
By: PLM Financial Services, Inc.,
as its general partner

By: 

Its: Pres

Date: 12/29/88

LEG-930Q



GREYHOUND LEASING & FINANCIAL CORPORATION

MAY 20 1975-9 50 AM

EQUIPMENT LEASE AGREEMENT

INTERSTATE COMMERCE COMMISSION

THIS EQUIPMENT LEASE AGREEMENT, hereinafter referred to as "Agreement", by and between GREYHOUND LEASING & FINANCIAL CORPORATION, a Delaware Corporation, hereinafter referred to as "Lessor", and The Detroit Edison Company of 2000 Second Avenue, Detroit, Michigan 48226 hereinafter referred to as "Lessee",

WITNESSETH:

I. LEASING: In consideration of the covenants herein contained, Lessor agrees to lease to Lessee and Lessee agrees to hire from Lessor such unit or units of equipment, hereinafter referred to as "Unit", described in the Equipment Lease Schedule or Schedules, hereinafter referred to as "Schedule", to be attached hereto and to become a part hereof as same are executed from time to time by the parties hereto.

II. TERM, RENT AND PAYMENT: (a) The lease of and rent for each Unit shall commence on the day specified in the Schedule pertaining thereto and shall continue for the period specified as the "term" in said Schedule. If any such term be extended, the word "term" or "period", as used in this Agreement, shall be deemed to refer to the extended term, and all provisions of this Agreement shall apply during and until the expiration of said extended period, except as may be otherwise specifically provided in this Agreement or in any subsequent written agreement of the parties.

(b) The rental for each Unit shall be in the amount set forth in the Schedule and shall be payable in arrears ~~at~~ at the times set forth in said Schedule. As additional rental, Lessee shall pay and discharge, when due, all license fees, assessments and sales, use, property and other tax or taxes now or hereafter imposed by any State, Federal or local government upon any Unit or payments hereunder, ~~except income taxes~~ whether the same be payable by or billed or assessed to Lessor or to Lessee, together with any penalties or interest in connection therewith; however, if under local law or custom Lessee may not make any such payments Lessee will promptly notify Lessor and Lessee shall reimburse Lessor on demand for all payments thereof made by Lessor. If any such license, assessment or tax is, by law, to be assessed or billed to Lessor, Lessee at its expense will do any and all things required to be done by Lessor in connection with the levy, assessment, billing or payment thereof and is hereby authorized by Lessor to act for and on behalf of Lessor in any and all such respects including, but not limited to, the contest or protest, in good faith, of the validity or the amount thereof; Lessee will cause all billings of such governmental obligations of Lessor to be made to it in care of Lessee and will from time to time, on request of Lessor, submit written evidence of the payment of all such governmental obligations. In the event any rental is not paid on or before the due date, such arrearage may, at the election of Lessor, be subject to the maximum legal rate of interest permitted by applicable law, or five percent (5%) above the then current prime rate of interest of the First National City Bank of New York, whichever is less.

(c) Rent shall be paid to the Lessor at its office at Greyhound Tower, Phoenix, Arizona 85077, or as otherwise directed, and shall not be pro-rated for any cause or reason except as herein specifically provided.

III. DEPOSIT: Upon delivery of each Unit, Lessee will deposit with Lessor the sum specified in the Schedule therefor as security to be applied by and at the option of Lessor to the payment and/or performance of any obligations of Lessee hereunder. Such deposit shall not excuse the performance at the time and in the manner prescribed herein of any obligation of Lessee or prevent default thereof, and any of such deposit not so applied will be returned to Lessee after the termination of this Agreement.

IV. REPORTS: (a) Upon demand Lessee will advise Lessor where each Unit is located and permit Lessor to examine each Unit.

(b) Without demand Lessee will (1) promptly upon Lessee's knowledge involving ~~or apparent improper manufacturing, functioning or operation of~~ notify Lessor of each accident ~~XXXX~~ out of the alleged ~~or apparent improper manufacturing, functioning or operation of~~ any Unit, the time, place and nature of the accident and damage, the names and addresses of parties involved, persons injured, witnesses and owners of property damaged, and such other information as may be known, and promptly advise Lessor of all correspondence, papers, notices and documents whatsoever received by Lessee in connection with any claim or demand involving or relating to improper manufacturing, operation or functioning of any Unit or charging Lessor with liability, and together with Lessee's employees, aid in the investigation and defense of all such claims and shall aid in the recovery of damages from third persons liable therefor; and (2) notify Lessor in writing, within ten (10) days after any day on which any tax lien shall attach to any Unit, of the location of such Unit, on such day; and (3) notify Lessor forthwith in writing of the location of any Unit moved by Lessee from the ~~place where delivered to Lessee or from the location~~ specified in this Agreement or any Schedule or supplemental agreement subsequently executed.

(c) Lessee will, as soon after the close of each fiscal year of Lessee as practicable, furnish to Lessor

in duplicate copies of Lessee's most recent financial reports, including Lessee's most recent annual report and balance sheet and profit and loss statement, certified to by either a recognized firm of Certified Public Accountants or by the chief fiscal officer of the Lessee. Interim statements, so certified, will be furnished as requested by Lessee.

V. **SERVICE:** (a) Lessee will pay for and provide all electric power, oil, gasoline and lubricants consumed by and required for each Unit, and all repairs, parts and supplies necessary therefor.

(b) Lessee will at its sole expense at all times during the term of this Agreement maintain each Unit in good operating order, repair, condition and appearance and keep the same protected from the elements, except during use in the normally contemplated manner. Lessee will maintain on each Unit any insignia or identification furnished by Lessor and will not remove said insignia or identification without the prior written consent of Lessor.

(c) Lessee will not, without the prior written consent of Lessor, affix or install any accessory, equipment, or device on any Unit leased hereunder if such addition will impair the originally intended function or use of any such Unit. All repairs, parts, supplies, accessories, equipment and devices furnished or affixed to any Unit shall thereupon become the property of Lessor (except such as may be removed without in any wise affecting or impairing the originally intended function or use of such unit). Further, Lessee will not, without the prior written consent of Lessor and subject to such conditions as Lessor may impose for its protection, affix or install any Unit leased hereunder to or in any other personal property or to or in any real property.

(d) Lessee acknowledges and agrees (1) that each Unit is of a size, design, capacity and manufacture selected by Lessee, (2) that Lessee is satisfied that the same is suitable for its purposes, (3) that Lessor is not a manufacturer thereof nor a dealer in property of such kind, and (4) that Lessor has not made, and does not hereby make, any representation or warranty or covenant with respect to the merchantability, condition, quality, durability or suitability of any such Unit in any respect or in connection with or for the purposes and uses of Lessee, or any other representation or warranty or covenant of any kind or character, express or implied, with respect thereto. Lessee agrees that Lessor shall not be liable to Lessee for any liability, claim, loss, damage or expense of any kind or nature caused, directly or indirectly, by any Unit or any inadequacy thereof for any purpose, or any deficiency or defect therein, or the use or maintenance thereof, or any repairs, servicing or adjustments thereto, or any delay in providing or failure to provide any thereof, or any interruption or loss of service or use thereof, or any loss of business, or any damage whatsoever and howsoever caused.

(e) Lessor hereby assigns to Lessee, for and during the term of this Agreement, any applicable factory warranty, express or implied, issued on or applicable to each new Unit, and hereby authorizes Lessee during the term of this Agreement to obtain the customary service furnished in connection therewith by the manufacturer at Lessee's expense.

VI. **USE AND OPERATION:** (a) Lessee will not use, operate, maintain or store any Unit leased hereunder improperly, carelessly or in violation of this Agreement, or of any applicable regulatory laws and bodies whatsoever, or the instructions therefor furnished by Lessor; nor use or operate any Unit other than in a manner and for the use contemplated by the manufacturer thereof; nor let or use the same for hire other than to the extent and in the manner similar property has heretofore been let or used for hire in the regular and ordinary course of Lessee's business; nor, without the prior written consent of Lessor, which will not be unreasonably withheld, assign this Agreement or sub-lease or let any Unit (it being understood that written consent in one instance will not constitute a waiver of any of the terms of this Agreement) or permit anyone other than its authorized agents or employees to operate the same, or permit any Unit to be subject to any lien, charge or encumbrance whatsoever, or remove any Unit from the location as set forth in Paragraph 2 of the applicable Schedule.

(b) Lessee assumes all risks and liability for each Unit leased hereunder and for the use, operation and storage thereof, and for injuries or deaths of persons and damage to property, howsoever arising from or incident to such use, operation or storage, whether such injury or death to persons be of agents or employees of Lessee or of third parties, and such damage to property be of Lessee or of others. Lessee will save and hold Lessor harmless from all losses, damages, claims, penalties, liabilities, and expenses, including attorneys' fees, howsoever arising or incurred because of or incident to any Unit or the use, operation or storage or alleged use, operation or storage thereof.

VII. **INSURANCE:** At its own expense, Lessee will maintain insurance on each Unit as specified in the Schedule pertaining thereto for the actual value of such Unit and in no event for less than the "Stipulated Loss Value" specified in such Schedule, and will maintain public liability and property damage insurance with respect to each Unit. Except as otherwise provided in any Schedule, all such insurance shall name Lessor and Lessee as insureds, shall be in amounts and companies approved by Lessor, and shall provide that it may be altered or cancelled by the insurer only after ten (10) days' written notice to, and that losses shall be adjusted only with and paid to, Lessor and its assignee, if any. Certificates or other evidence satisfactory to Lessor showing the existence of such insurance, the terms and conditions of the policy, and payment of the premium therefor shall be delivered to Lessor forthwith and periodically prior to each expiration of such insurance.

(c) In the event of any default, Lessee will pay to Lessor a reasonable sum as and for attorneys' fees such costs and expenses as shall have been expended or incurred by Lessor in the enforcement of any right or privilege hereunder, and interest at the legal rate on each of the foregoing and on all sums not paid when due under any provision of this Agreement.

(d) Should Lessor be in default hereof as to any one Unit, Lessee may not because of such default terminate the lease of any other Unit leased hereunder.

XI. ASSIGNMENT BY LESSOR: Lessee acknowledges and understands that the terms and conditions of this Agreement have been fixed by the Lessor in anticipation of its being able to assign its interest under this Agreement and in and to the Units leased hereunder to a bank or other lending institution or to others having an interest in the leased Units or this transaction, all or some of which will rely upon and be entitled to the benefit of the provisions of this paragraph; and Lessee agrees with Lessor and with such bank or other lending institution and/or such other party (for whose benefit this covenant is expressly made) and in consideration of the provisions hereof, as follows: (1) to recognize any such assignment, (2) to accept the directions or demands of such assignee in place of those of the Lessor, (3) to surrender any leased property only to such assignee, (4) to pay all rent payable hereunder and to do any and all things required of Lessee hereunder and not to terminate this Agreement, notwithstanding any default by Lessor or the existence of any offset as between Lessor and Lessee or the existence of any other liability or obligation of any kind or character on the part of Lessor to Lessee whether or not arising hereunder, and (5) not to require any assignee of this Agreement to perform any duty, covenant or condition required to be performed by Lessor under the terms of this Agreement, all rights of Lessee in any such connection aforesaid being hereby waived as to any and all of such assignees. However, nothing hereinbefore contained shall relieve Lessor from its obligations to Lessee hereunder. If foregoing assignment is to a Bank, Lessor must obtain Lessee's prior written consent for such assignment, which consent will not be un-

XII. QUIET POSSESSION: Lessor covenants that it is the lawful owner of the Units leased hereunder and that asor conditioned upon the Lessee performing the conditions hereof, Lessee shall peaceably and quietly hold, possess with and use such units during the term of this lease. Lessor covenants that it will not give a mortgage or mortgages securing an amount exceeding the cost of such units and that annual payments for amortization will not exceed the annual rent payable by the Lessee. In the event that the Lessor shall default in the payment of either principal or interest of any indebtedness secured by any mortgage or mortgages which constitute a first mortgage lien on any such unit, Lessee shall have the right and privilege to pay the amount so in default, and the amount so paid by the Lessee shall, at its option, be credited against rentals due or thereafter becoming due.

XIII. MISCELLANEOUS: Nothing herein contained shall give or convey to Lessee any right, title or interest in and to any Unit leased hereunder except as a Lessee. The obligations of Lessor hereunder shall be suspended to the extent that it is hindered or prevented from complying therewith because of labor disturbances (including strikes and lockouts), war, Acts of God, fires, storms, accidents, governmental regulations or interference or any cause whatever beyond its control. No obligation of Lessor hereunder shall survive the term of the lease of any Unit or sooner termination of this lease, and should Lessor permit the use of any Unit beyond the term specified therefor, the obligations of Lessee hereunder shall continue and such permissive use shall not be construed as a renewal of the term thereof nor as a waiver of any right or continuation of any obligation of Lessor hereunder, and Lessor may take possession of any such Unit at any time upon demand after thirty (30) days' notice. Any cancellation or termination by Lessor, pursuant to the provisions hereof, of this Agreement, any Schedule, supplement or amendment hereto or the lease of any Unit hereunder, shall not release Lessee from any then outstanding obligations to Lessor hereunder. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns, subject to paragraph VI hereof. Time is of the essence of this Agreement. This Agreement shall be construed in accordance with the laws of the State of Illinois.

IN WITNESS WHEREOF the parties hereto have executed these presents as of the 14th

day of May, 19 75

THE DETROIT EDISON COMPANY, LESSEE

GREYHOUND LEASING & FINANCIAL CORPORATION, LESSOR

By Robert W. Hartwell
Senior Executive Vice
(Seal) President - Finance

By Walter H. Krawley
Vice President (Seal)

By William D. Starnell
Assistant Secretary

By Joseph Elmer
Asst. Secretary

STATE OF MICHIGAN)
COUNTY OF WAYNE)

STATE OF ILLINOIS)
COUNTY OF COOK)

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

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

5100B

James C. Zato Notary Public, Wayne County, Mich.
Notary Public
My Commission Expires 5-14-76

Deerly Hunt Notary Public
Notary Public Expires Sept. 28, 1978

VIII. DAMAGE TO EQUIPMENT: Lessee assumes all risks of loss, theft or destruction of, and damage to, each Unit, and will hold Lessor harmless from any thereof and from all claims and liens for storage, labor and materials incurred by Lessee in connection with each Unit. Should a Unit be damaged so as to preclude its use for the purpose intended by reason of any cause for which Lessor shall be indemnified pursuant to any collectible insurance specified in the Schedule pertaining to such Unit and should Lessor have made a full insurance recovery with respect thereto in an amount not less than the "Stipulated Loss Value" specified in the Schedule pertaining to such Unit, this Agreement shall terminate as to such Unit; provided, however, that upon mutual agreement of Lessor and Lessee the proceeds of such insurance recovery may be applied to the repair or replacement of such Unit. Should a Unit be damaged so as to preclude its use for the purpose intended by reason of any cause for which Lessor shall be only partially indemnified pursuant to any collectible insurance specified in the Schedule pertaining to such Unit and should Lessor have made an insurance recovery with respect thereto in an amount which is less than the "Stipulated Loss Value" specified in the Schedule pertaining to such Unit and should such Unit be capable of repair, Lessee will repair or replace the same at its cost and the proceeds of the insurance recovery shall be applied to the cost of such repair or replacement. Should a Unit be damaged by reason of any cause against which no insurance is required under the Schedule pertaining to such Unit or against which Lessor shall have no indemnification for any other reason and should such Unit be capable of repair, such damage shall not annul or terminate this Agreement as to such Unit and Lessee will repair such damage or replace such Unit at its cost. Should a Unit be damaged beyond repair or be lost, stolen, or wholly destroyed by reason of any cause for which Lessor shall not be fully indemnified pursuant to any insurance specified in the Schedule pertaining to such Unit, then this Agreement shall cease and terminate as to such Unit and Lessee shall pay Lessor the "Stipulated Loss Value" specified in the Schedule pertaining to such Unit, less the amount of any insurance recovery received by Lessor.

IX. RETURN OF EQUIPMENT: Lessee agrees, by the acceptance of each Unit, that such Unit is in good operating order, repair, condition and appearance. At the expiration or sooner termination of the term pertaining thereto, Lessee will return each Unit to Lessor free of all advertising or insignia placed thereon by Lessee and in the same operating order, repair, condition and appearance as when received, excepting only for reasonable wear and tear and damage by any cause covered by collectible insurance specified in the Schedule pertaining thereto, and will pay for any repairs necessary to restore such Unit to its original condition, except as aforesaid. Lessee will return each Unit to Lessor in the same city in which Lessee first received the same or, if Lessor shall so request, Lessee will load the same at its expense on board such carrier as Lessor shall specify and ship the same freight collect as directed by Lessor.

X. DEFAULT: (a) Should Lessee default in payment of any sum to be paid hereunder, or fail to perform at the time and in the manner herein specified any term or covenant in this Agreement or any Schedule or supplement hereto, and such default continue for ~~ten~~ ^{five} days after receipt by Lessee of written notice ~~that Lessee has been placed in~~ ^{that Lessee has been placed in} default, or should Lessee commit an act of bankruptcy or be the subject of any proceeding under the Bankruptcy Act (provided, however, that if the same is an involuntary proceeding which is stayed or removed within thirty (30) days from the date of commencement the same shall not constitute default) or become insolvent (that is, unable to pay its debts as they fall due), or should any substantial part of Lessee's property be subject to any levy, seizure, assignment, application or sale for or by any creditor or governmental agency, Lessor, at its option, may (1) proceed by appropriate court action or actions either at law or in equity to enforce performance by Lessee of the applicable covenants and terms of this Agreement or to recover from Lessee, any and all damages or expenses including reasonable attorneys' fees, which Lessor shall have sustained by reason of Lessee's default in any covenant or covenants of this Agreement or on account of Lessor's enforcement of its remedies hereunder, (2) terminate Lessee's rights under this Agreement and (3) take possession of all of the equipment leased hereunder (damages occasioned by such taking of possession are hereby expressly waived by the Lessee), and thereupon Lessee's right to the possession thereof shall terminate. In the event of any such repossession, Lessor shall either (i) lease the Units or any portion thereof for such period and rental, and to such persons as Lessor shall elect or (ii) sell the Units or any portion thereof at public or private sale and without demand or notice of intention to sell or of sale or presence of the same at the place of sale. If any Unit is sold, leased or otherwise disposed of pursuant to this Paragraph X (a) Lessee shall be liable to Lessor for and Lessor may recover from Lessee, as liquidated damages for the breach of this Agreement, but not as a penalty, and as reasonable rent for the use of such Unit and for the depreciation thereof, the amount by which the proceeds of such lease, sale or other disposition, less expense of retaking, storage, repairing and lease, sale or other disposition, and reasonable attorneys' fees incurred by Lessor is less than the sum of (i) all due and unpaid rent for such Unit, (ii) the "Stipulated Loss Value" as of the date of repossession by Lessor, (iii) an amount equal to accrued taxes, and other amounts payable hereunder by Lessee with respect to such Unit, (iv) all ^{reasonable} ~~costs~~ expenses, losses and damages incurred or sustained by Lessor by reason of such default, and (v) interest at the legal rate on each of the foregoing and on all sums not paid when due under any provision of this Agreement. If on the date of such termination or repossession any Unit be damaged, lost, stolen or destroyed, or be subject to any levy, seizure, assignment, application or sale for or by any creditor or governmental agency, Lessee shall also remain liable for the "Stipulated Loss Value" pertaining to such Unit, less the amount of any insurance recovery received by Lessor in connection therewith.

(b) No right or remedy conferred upon or reserved to Lessor by this Agreement shall be exclusive of any other right or remedy herein or by law provided; all rights and remedies of Lessor conferred upon Lessor by this Agreement or by law shall be cumulative and in addition to every other right and remedy available to Lessor.

MAY 20 1975 - 9 50 AM

SUPPLEMENT TO EQUIPMENT LEASE AGREEMENT

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 aforesaid 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 2 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 Robert W. Hartwell
Its Senior Executive Vice
President - Finance

By Allen D. Harrell
Its Assistant Secretary

STATE OF MICHIGAN)
)
COUNTY OF WAYNE)

Subscribed and Sworn to before
me this 19th day of May, 1975.

Francis C. Tate
Notary Public

My Commission Expires: May 14, 1976

GREYHOUND LEASING & FINANCIAL
CORPORATION, LESSOR

By Walter H. ...
Its Vice President

By Joseph Ellis
Its Assistant Secretary

STATE OF ILLINOIS)
)
COUNTY OF COOK)

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

Beverly ...
Notary Public

My Commission Expires:

My Commission Expires Sept., 28, 1978

RENTAL PAYMENT ADJUSTMENTS

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 here

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)

$$S = 17.9\% = .170$$

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

$$R = .0293839$$

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 6/75	100%
2 9	101.8%
3 12	102.4%
4 3/76	103.0%
5 6	103.5%
6 9	103.9%
7 12	104.3%
8 3/77	104.6%
9 6	104.8%
10 9	105.0%
11 12	105.1%
12 3/78	105.2%
13 6	98.8%
14 9	98.7%
15 12	98.6%
16 3/79	98.5%
17 6	98.2%
18 9	97.9%
19 12	97.6%
20 3/80	97.1%
21 6	92.3%
22 9	91.3%
23 12	90.3%
24 3/81	89.2%
25 6	88.1%
26 9	87.0%
27 12	86.1%
28 3/82	85.2%
29 6	83.2%
30 9	81.8%
31 12	80.4%
32 3/83	79.0%
33 6	77.5%
34 9	75.9%
35 12	74.3%
36 3/84	72.6%
37 6	70.9%
38 9	69.2%
39 12	67.4%
40 3/85	65.5%
41 6/85	63.6%
42 9/85	61.6%
43 12/85	59.6%

At Beginning of Quarter No:

Stipulated Loss Value

44 3/20	57.6%
45 1/10	55.5%
46 3/10	53.3%
47 1/2	51.1%
48 3/10	48.9%
49 1/2	46.6%
50 1/2	44.2%
51 1/2 1/81	41.8%
52 3/10	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%

EQUIPMENT LEASE SCHEDULE

1. DESCRIPTION OF EQUIPMENT:

(1) GLFC No. 8-6459
(2) Description Five (5) New General Electric Model U30C, 3,000 h.p. Class C-C Road Locomotives Serial Nos. DE-018-40737, DE-019-40738 DE-020-40739, DE-021-40740 & DE-022-40741 as fully described on Exhibit X-8-6459-06 attached hereto

2. SITUATE: Continental United States

3. TERM: 180 MONTHS COMMENCING June 26, 1975

4. RENT:

A. Total Rent \$ 4,137,283.80

B. Deposit To be applied toward 1st quarterly rental of this transaction \$ 25,000.00

C. RENT: Payable quarterly in arrears

1st Year	\$ <u>68,954.73 per quarter</u>	9th Year	\$ <u>68,954.73 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	\$ _____

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" to Supplement to the Lease Agreement

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

8. SPECIAL CONDITIONS: Quarterly rental is based on 7.0% Prime and shall float with prime as set forth in the Supplement to the Lease Agreement

APPROVED AND AGREED TO this 26th day of June, 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 Robert W. Hartwell
Robert W. Hartwell, Senior Executive Vice President-Finance
TITLE

By Walter W. ...
SENIOR VICE PRESIDENT
(Seal)

(Seal) By Lillian J. H. Carroll
LILLIAN J. H. CARROLL ASST. SECRETARY
TITLE

By Joseph E. ...
ASST. SECRETARY
(Seal)

EXHIBIT "A"

Special conditions; this amended Schedule #1 supercedes Schedules #1 through #5 with respect to all terms and conditions except for the description of the equipment and the length of the term of said schedules. Furthermore, this amended Schedule #1 consolidates the equipment on the original Schedules #1 through #5.


6/18/75

EQUIPMENT LEASE SCHEDULE

1. DESCRIPTION OF EQUIPMENT:

- (1) GLFC No. 8-6458
- (2) Description Three Hundred (300) new, Pullman-Standard 100 Ton Steel Bodied High Side Rotary Gondola Cars (Cost per car \$26,600.56) with Serial Nos. DEEX5501 to 5800 both inclusive. Cost of \$7,980,168.00

2. SITUATE: Continental, U.S.A.

3. TERM: 180 MONTHS COMMENCING June 18, 1975

4. RENT:

A. Total Rent \$ 13,744,195.20

B. Deposit \$ None

C. RENT: Payable Quarterly in arrears

1st Year	\$ <u>229,069.92 Quarterly</u>	9th Year	\$ <u>229,069.92 Quarterly</u>
2nd Year	\$ <u>229,069.92 Quarterly</u>	10th Year	\$ <u>229,069.92 Quarterly</u>
3rd Year	\$ <u>229,069.92 Quarterly</u>	11th Year	\$ <u>229,069.92 Quarterly</u>
4th Year	\$ <u>229,069.92 Quarterly</u>	12th Year	\$ <u>229,069.92 Quarterly</u>
5th Year	\$ <u>229,069.92 Quarterly</u>	13th Year	\$ <u>229,069.92 Quarterly</u>
6th Year	\$ <u>229,069.92 Quarterly</u>	14th Year	\$ <u>229,069.92 Quarterly</u>
7th Year	\$ <u>229,069.92 Quarterly</u>	15th Year	\$ <u>229,069.92 Quarterly</u>
8th Year	\$ <u>229,069.92 Quarterly</u>	XXXXXX	\$ _____

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.

6. INSURANCE: See Section XIII 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 \$ _____	5th \$ _____	9th \$ _____	13th \$ _____
2nd \$ _____	6th \$ _____	10th \$ _____	14th \$ _____
3rd \$ _____	7th \$ _____	11th \$ _____	15th \$ _____
4th \$ _____	8th \$ _____	12th \$ _____	Thereafter \$ _____

8. SPECIAL CONDITIONS: Quarterly rental is based on 7.0% Prime and shall float with prime as set forth in the Supplement to the Lease Agreement. Commitment fee of \$75,000.00 to be applied toward initial quarterly rental. Also see Exhibit A to this Schedule.

APPROVED AND AGREED TO this 18th day of June, 19 75 as a schedule to and part of Equipment Lease Agreement dated the 14th day of May, 19 75.

THE DETROIT EDISON COMPANY
LESSEE

GREYHOUND LEASING & FINANCIAL CORPORATION,

By E. L. GROVE, JR. SENIOR EXECUTIVE VICE PRESIDENT
FINANCE

By [Signature] VICE PRESIDENT

(Seal) By LILLIAN J. H. CARROLL ASST. SECRETARY

By [Signature] SECRETARY (Seal)

Exhibit X-8-6459-06

<u>Description of Equipment</u>	<u>Cost Per Unit</u>
5 - New General Electric Model U30C, 3,000 h.p. Class C-C Road Locomotives S/N DE-018 to DE-022 consisting of the following:	
2 - units equipped with Master Locotrol S/N DE-018 & 019	\$ 481,800
1 - unit equipped with Master Locotrol without Logic Panels	471,504
1 - unit equipped with Remote Locotrol without Logic Panels	471,504
1 - unit without Locotrol	<u>423,837</u>
TOTAL COST	\$2,330,445

GREYHOUND LEASING & FINANCIAL CORP. PHOENIX

GREYHOUND TOWER
PHOENIX, ARIZONA 85077

Amended
SCHEDULE NO. 02

EQUIPMENT LEASE SCHEDULE

1. DESCRIPTION OF EQUIPMENT:

- (1) GLFC No. 8-6770
- (2) Description Six Hundred (600) new, Pullman-Standard 100 Ton Steel Bodied High Side Rotary Dump Gondola Cars with Serial Numbers as specified on Exhibit X-8-6770-02 - 07. Cost of \$16,767,099.81.

2. SITUATE: Continental, U.S.A.

3. TERM: 180 MONTHS COMMENCING March 25, 1976

4. RENT:

A. Total Rent \$27,820,542.60

B. Deposit \$None

C. RENT: Payable quarterly in arrears

1st Year \$ 463,675.71 Quarterly 9th Year \$ 463,675.71 Quarterly

2nd Year \$ 463,675.71 Quarterly 10th Year \$ 463,675.71 Quarterly

3rd Year \$ 463,675.71 Quarterly 11th Year \$ 463,675.71 Quarterly

4th Year \$ 463,675.71 Quarterly 12th Year \$ 463,675.71 Quarterly

5th Year \$ 463,675.71 Quarterly 13th Year \$ 463,675.71 Quarterly

6th Year \$ 463,675.71 Quarterly 14th Year \$ 463,675.71 Quarterly

7th Year \$ 463,675.71 Quarterly 15th Year \$ 463,675.71 Quarterly

8th Year \$ 463,675.71 Quarterly Thereafter \$ _____

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 ~~the~~ Fair Rental Value payable in advance.

6. INSURANCE: See Section XIII 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 "AA" to Supplement No. 02 to the Lease Agreement

~~1st \$ _____ 5th \$ _____ 9th \$ _____ 13th \$ _____~~

~~2nd \$ _____ 6th \$ _____ 10th \$ _____ 14th \$ _____~~

~~3rd \$ _____ 7th \$ _____ 11th \$ _____ 15th \$ _____~~

~~4th \$ _____ 8th \$ _____ 12th \$ _____ Thereafter \$ _____~~

8. SPECIAL CONDITIONS: Quarterly rental is based on 6 3/4% Prime and shall

float with prime as set forth in the Supplements to the Lease Agreement. Commitment fee of \$83,240.00 to be applied toward initial quarterly rental. Also see Exhibit A to this Schedule.

APPROVED AND AGREED TO this 25th day of March, 19 76 as a schedule to and part of Equipment Lease Agreement dated the 14th day of May, 19 75.

THE DETROIT EDISON COMPANY
LESSEE

GREYHOUND LEASING & FINANCIAL CORPORATION,
LESSOR

By [Signature] TITLE
SENIOR EXECUTIVE VICE PRESIDENT
FINANCE

By [Signature] VICE PRESIDENT

(Seal) By [Signature] SECRETARY TITLE

(Seal) By [Signature] SECRETARY

EXHIBIT "A"

Special conditions; this amended Schedule No. 02 supercedes
Schedule Nos. 02 through 07 with respect to all terms and condi-
tions except for the descriptions of the equipment and the length
of the term of said Schedules. Furthermore, this amended
Schedule No. 02 consolidates the equipment on the original
Schedule Nos. 02 through 07.

JMA
3/25/71

EXHIBIT X-8-6770-02

<u>Unit No.</u>	<u>Unit No.</u>	<u>Unit No.</u>	<u>Unit No.</u>
DEEX 6002	DEEX 6033	DEEX 6064	DEEX 6097
6003	6034	6065	6098
6004	6035	6066	6099
6005	6036	6067	6101
6007	6037	6068	6102
6008	6038	6069	6103
6009	6039	6070	6104
6010	6040	6071	6106
6011	6042	6072	6107
6012	6043	6073	6110
6013	6044	6074	6112
6014	6045	6075	6113
6015	6046	6076	6114
6016	6047	6077	6115
6017	6048	6078	6116
6018	6049	6080	6117
6019	6050	6081	6118
6020	6051	6082	6119
6021	6052	6083	6120
6022	6053	6084	6121
6023	6054	6085	6122
6024	6055	6086	6100
6025	6056	6087	6124
6026	6057	6089	6125
6027	6058	6090	6126
6028	6059	6092	6127
6029	6060	6093	6136
6030	6061	6094	6137
6031	6062	6095	6139
6032	6063	6096	6142

120 units ending with #6142, unit cost of \$27,905.59

[Handwritten signature]
3/25/76

Exhibit X-8-6770-03

<u>Unit No.</u>	<u>Unit No.</u>	<u>Unit No.</u>	<u>Unit No.</u>
DEEX 6006	DEEX 6152	DEEX 6182	DEEX 6212
6041	6153	6183	6213
6079	6154	6184	6214
6088	6155	6185	6215
6091	6156	6186	6216
6105	6157	6187	6217
6108	6158	6188	6218
6109	6159	6189	6219
6111	6160	6190	6220
6123	6161	6191	6221
6128	6162	6192	6222
6129	6163	6193	6223
6130	6164	6194	6224
6131	6165	6195	6225
6132	6166	6196	6227
6133	6167	6197	6228
6134	6168	6198	6230
6135	6169	6199	6231
6138	6170	6200	6232
6140	6171	6201	6233
6141	6172	6202	6234
6143	6173	6203	6235
6144	6174	6204	6236
6145	6175	6205	6237
6146	6176	6206	6238
6147	6177	6207	6239
6148	6178	6208	6241
6149	6179	6209	6242
6150	6180	6210	8002
6151	6181	6211	8003

118 units ending with #6242, unit cost of \$27,905.59

2 remaining units, #'s 8002 and 8003, unit cost of \$28,121.31

J. J.
3/25/78

20180419 3/80

Exhibit X-8-6770-04

<u>Unit No.</u>	<u>Unit No.</u>	<u>Unit No.</u>
DEEX 6226	DEEX 6276	DEEX 6315
6229	6277	6316
6240	6278	6318
6243	6279	6319
6244	6280	6320
6245	6281	6321
6246	6282	6322
6247	6283	6323
6248	6284	6324
6249	6285	6325
6250	6286	6326
6251	6287	6327
6252	6288	6328
6253	6289	6329
6254	6290	6330
6255	6291	6331
6256	6292	6332
6257	6293	6333
6258	6294	6334
6259	6295	6335
6260	6296	6336
6261	6297	6338
6262	① 6298	6340
6263	6299	6341
6264	6300	6343
6265	6301	6344
6266	6302	6349
6267	6303	6363
6268	6304	
6269	6308	
6270	6309	
6271	6310	
6272	6311	
6273	6312	
6274	6313	
6275	6314	

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3/25/76

pages 3/50

Exhibit X-8-6770-05

<u>Unit No.</u>	<u>Unit No.</u>	<u>Unit No.</u>
DEEX 6305	DEEX 6372	DEEX 6407
6306	6374	6408
6307	6376	6409
6317	6377	6410
6337	6378	6411
6339	6379	6412
6342	6380	6413
6345	6381	6414
6346	6382	6416
6347	6383	6420
6348	6384	6422
6351	6385	6424
6352	6386	6425
6353	6387	6426
6354	6388	6427
6355	6389	6428
6356	6390	6429
6357	6391	6430
6358	6392	6431
6359	6393	6432
6360	6397	6434
6361	6398	6444
6362	6399	6445
6364	6400	6447
6365	6401	6448
6366	6402	6449
6367	6403	6450
6368	6404	6451
6369	6405	8006) Double
6371	6406	8007) Rotary

88 units ending with #6451, unit cost of \$27,981.48

2 remaining units, #'s 8006 and 8007, unit cost of \$28,121.31

[Signature]
3/25/76

Exhibit X-8-6770-06

<u>Unit No.</u>	<u>Unit No.</u>
DEEX 6350	DEEX 6456
6373	6457
6394	6458
6395	6459
6396	6460
6415	6461
6417	6462
6418	6464
6419	6465
6421	6467
6423	6468
6433	6471
6435	6472
6436	6473
6438	6474
6439	6475
6440	6476
6441	6486
6442	6487
6443	6488
6446	6489
6452	6490
6453	6495
6454	6496
6455	8001 Double Rotary

49 units ending with #6496, unit cost of \$27,981.48

one remaining unit #8001, unit cost of \$28,121.31

JJP
3/25/76

Exhibit X-8-6770-07

<u>Unit No.</u>	<u>Unit No.</u>	<u>Unit No.</u>	<u>Unit No.</u>
DEEX 6001	DEEX 6506	DEEX 6536	DEEX 6566
6370	6507	6537	6567
6375	6508	6538	6568
6437	6509	6539	6569
6463	6510	6540	6570
6466	6511	6541	6571
6469	6512	6542	6572
6470	6413	6543	6573
6477	6514	6544	6574
6478	6515	6545	6575
6479	6516	6546	6576
6480	6517	6547	6577
6481	6518	6548	6578
6482	6519	6549	6579
6483	6520	6550	6580
6484	6521	6551	6581
6485	6522	6552	6582
6491	6523	6553	6583
6492	6524	6554	6584
6493	6525	6555	6585
6494	6526	6556	6586
6497	6527	6557	6587
6498	6528	6558	6588
6499	6529	6559	6589
6500	6530	6560	6590
6501	6531	6561	6591
6502	6532	6562	6592
6503	6533	6563	6593
6504	6534	6564	8004) Double
6505	6535	6565	8005) Coupler

118 units ending with #6593, unit cost of \$27,981.48

2 remaining units, #'s 8004 and 8005, unit cost of \$28,121.31

JMA
3/25/71

Stipulated Loss Values for Additional Equipment expressed as a percentage of Cost:

<u>At Beginning of Quarter No.</u>	<u>Stipulated Loss Value</u>
1	103.9%
2	103.9%
3	104.7%
4	105.5%
5	106.1%
6	106.7%
7	107.2%
8	107.7%
9	108.1%
10	108.4%
11	108.7%
12	108.8%
13	109.0%
14	102.6%
15	102.6%
16	102.5%
17	102.4%
18	102.2%
19	101.9%
20	101.6%
21	101.2%
22	96.1%
23	95.1%
24	94.1%
25	93.1%
26	91.9%
27	91.0%
28	90.1%
29	89.2%
30	86.9%
31	85.6%
32	84.1%
33	82.1%
34	81.1%
35	79.4%
36	77.8%
37	76.1%
38	74.3%
39	72.4%
40	70.6%

SM
3/25/76

At Beginning of Quarter No.

Stipulated Loss Value

41 <i>1/2</i>	68.6%
42	65.6%
43	64.6%
44	62.5%
45 <i>1/2</i>	60.3%
46	58.1%
47	55.8%
48 <i>1/2 - 1/2</i>	53.5%
49 <i>1/2 - 1/2</i>	51.1%
50	48.6%
51	46.1%
52	43.6%
53	41.0%
54	38.3%
55	35.6%
56	32.9%
57	30.0%
58	27.1%
59	24.1%
60	21.1%
THEREAFTER	15.0%

[Signature]
9/25/76

336
1st

BILL OF SALE

Pullman Incorporated (Pullman Standard Division), (hereinafter called "Manufacturer"), in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, does hereby grant, bargain, sell, transfer and set over unto GREYHOUND LEASING & FINANCIAL CORPORATION, (hereinafter called the "Purchaser"), its successors and assigns, the following units of Railroad Equipment, (hereinafter called the "Equipment"), manufactured by the Manufacturer:

<u>Quantity</u>	<u>Description</u>	<u>Car Numbers</u>
300	High Side Gondola Cars	Per attached Schedule "A"

TO HAVE AND TO HOLD all and singular the Equipment to the Purchaser, its successors and assigns, for its and their own use and behoof forever.

And Manufacturer hereby warrants to the Purchaser, its successors and assigns, that, at the time of delivery of each of the units of the Equipment to the Purchaser, Manufacturer had legal title to such unit and good and lawful right to sell such unit and the title of such unit was free of all liens and encumbrances of any nature; and Manufacturer covenants that it will warrant and defend such title against all claims and demands whatsoever.

IN WITNESS WHEREOF, Manufacturer has caused this instrument to be duly executed in its name by its officers thereunto duly authorized and its corporate seal to be affixed this 28th day of April, 1976.

ATTEST:

PULLMAN INCORPORATED
(Pullman Standard Division)

Margaret M. Keenan
Assistant Secretary

By B. R. Beane
Vice President

Schedule "A"

293 - 100 Ton High Side Gondola Cars

(all numbers inclusive)

DEEX 6302 to 6593
DEEX 6001

7 - 100 Ton High Side Gondola Cars

(all numbers inclusive)

DEEX 8001 to 8007

J. Doe

EQUIPMENT LEASE SCHEDULE

1. DESCRIPTION OF EQUIPMENT:

- (1) GLFC No. 8-6770
13 -New Ortner Freight Car Company 125 Ton Rotary Dump
 (2) Description High Side Gondola Cars (Double Rotary Couplers) Odd Con-
secutively Numbered Cars in Series DEEX 3501-3525 (Cost Per Car
\$42,441.33) and 12-New Ortner Freight Car Company 125 Ton Rotary
Dump High Side Gondola Cars (Double Fixed Couplers) Consecutively Even

2. SITUATE: Continental United States Numbered
 3. TERM: 180 MONTHS COMMENCING May 13, 1976 Cars in
 Series DEE
 3502-3524
 4. RENT: (Costing
 \$41,752.8

A. Total Rent \$1,746,794.40
 (\$5,036 is to be applied pro-rata
 against 1st quarterly rental)
 B. Deposit \$ 100,000.00

C. RENT: Payable Quarterly in arrears

1st Year	\$ <u>29,113.24</u>	9th Year	\$ <u>29,113.24</u>
2nd Year	\$ <u>"</u>	10th Year	\$ <u>"</u>
3rd Year	\$ <u>"</u>	11th Year	\$ <u>"</u>
4th Year	\$ <u>"</u>	12th Year	\$ <u>"</u>
5th Year	\$ <u>"</u>	13th Year	\$ <u>"</u>
6th Year	\$ <u>"</u>	14th Year	\$ <u>"</u>
7th Year	\$ <u>"</u>	15th Year	\$ <u>"</u>
8th Year	\$ <u>"</u>	Thereafter	\$ <u>-0-</u>

5. RENEWAL OPTION: Lessee may renew lease on a year to year basis upon expiration of the term as speci-
 fied in Item 3 above at an annual rental of Fair Market
Rental Value payable in advance.

6. INSURANCE: See Section 13 of Supplement No. 1 to the Lease
Agreement

7. STIPULATED LOSS VALUE: Amount to be paid pursuant to paragraph VIII of Equipment Lease Agree-
 ment for leased equipment lost, stolen, destroyed or damaged beyond repair during each year of the term:
 See Exhibit "A-A" to Supplement No. 2 to the Lease Agreement

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

8. SPECIAL CONDITIONS: Quarterly rental is based on 6.75% prime and
shall float with prime as set forth in the Supplements to the
Lease Agreement

APPROVED AND AGREED TO this 13th day of May, 1976 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 *R. W. Lundgren*
R. W. LUNDGREN TITLE
 EXECUTIVE VICE PRESIDENT
 ADMINISTRATION

By *Walter J. ...*
SENIOR VICE PRESIDENT

(Seal) By *Frank M. Kehoe*
FRANK M. KEHOE SECRETARY TITLE

(Seal) By *Joseph E. ...*
ASSISTANT SECRETARY

08

CERTIFICATE OF
DELIVERY AND ACCEPTANCE

The undersigned, being the duly authorized representative of Greyhound Leasing & Financial Corporation (Greyhound) and of The Detroit Edison Company (Edison), hereby certifies that the following units of Railroad Equipment, referred to in Purchase Order Number E-322669, dated December 4, 1973 (the Purchase Order) from Edison to Ortner Freight Car Company (Ortner) as assigned to Greyhound and in the Equipment Lease Agreement (Lease) between Greyhound and Edison, dated May 14, 1975, and Supplement No. 2, dated January 30, 1976:

Description:

Total No.
of Units

The Detroit Edison Company's
Identifying Nos.

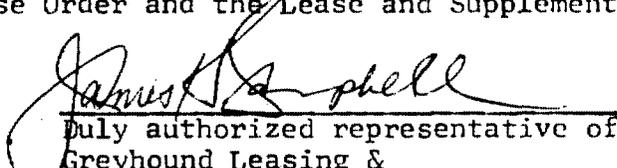
25

DEEX 3501 thru DEEX 3525

D. ACHTENBERG-

13 MAY 76 3:27

have been duly delivered in good order by Ortner and duly inspected and accepted by the undersigned (but have not been used or placed in service) on the respective dates shown above on behalf of Greyhound and in turn have been duly delivered by Greyhound to Edison and have been duly inspected and accepted by the undersigned on said dates on behalf of Edison as conforming in all respects to the requirements and provisions of the Purchase Order and the Lease and Supplement.


James D. Shell
Duly authorized representative of
Greyhound Leasing &
Financial Corporation and
The Detroit Edison Company

Dated: May 13, 1976

GREYHOUND LEASING & FINANCIAL CORPORATION
 GREYHOUND TOWER
 PHOENIX, ARIZONA 85077

SCHEDULE NO. 09

EQUIPMENT LEASE SCHEDULE

1. DESCRIPTION OF EQUIPMENT:

- (1) GLFC No. 8-6770
 25-New Ortner Freight Car Company 125 Ton Rotary
 (2) Description Dump High Side Gondola Cars Serial Numbers DEEX
3526 through DEEX 3550 Inclusive (Costing \$1,051,899.77)

2. SITUATE: Continental United States

3. TERM: 180 MONTHS COMMENCING May 28, 1976

4. RENT:

- A. Total Rent \$1,745,347.86
 (\$5,032 is to be applied pro-rata
 B. Deposit against 1st quarterly rental) \$ 100,000.00

C. RENT: Payable Quarterly in arrears

1st Year	\$ <u>29,089.13</u>	9th Year	\$ <u>29,089.13</u>
2nd Year	\$ <u>"</u>	10th Year	\$ <u>"</u>
3rd Year	\$ <u>"</u>	11th Year	\$ <u>"</u>
4th Year	\$ <u>"</u>	12th Year	\$ <u>"</u>
5th Year	\$ <u>"</u>	13th Year	\$ <u>"</u>
6th Year	\$ <u>"</u>	14th Year	\$ <u>"</u>
7th Year	\$ <u>"</u>	15th Year	\$ <u>0</u>
8th Year	\$ <u>"</u>	Thereafter	\$ <u>"</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 Market Rental Value payable in advance.

6. INSURANCE: See Section 13 to Supplement No. 1 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 "A-A" to Supplement No. 2 to the Lease Agreement
 1st \$ _____ 5th \$ _____ 9th \$ _____ 13th \$ _____
 2nd \$ _____ 6th \$ _____ 10th \$ _____ 14th \$ _____
 3rd \$ _____ 7th \$ _____ 11th \$ _____ 15th \$ _____
 4th \$ _____ 8th \$ _____ 12th \$ _____ Thereafter \$ _____

8. SPECIAL CONDITIONS: Quarterly rental is based on 6.75% prime and shall float with prime as set forth in the Supplement to the Lease Agreement

APPROVED AND AGREED TO this 28th day of May, 1976 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 [Signature] TITLE [Signature] SENIOR VICE PRESIDENT

(Seal) By [Signature] TITLE [Signature] ASSISTANT SECRETARY (Seal)

EQUIPMENT LEASE SCHEDULE

1. DESCRIPTION OF EQUIPMENT:

- (1) GLFC No. 8-6770
 (2) Description 23-New Ortner Freight Car Company 125 Ton Rotary Dump High Side Gondola Cars Serial Numbers DEEX 3551 through DEEX 3571 inclusive and DEEX 3573 and DEEX 3575 (Costing \$969,178.19)

2. SITUATE: Continental United States

3. TERM: 180 MONTHS COMMENCING June 11, 1976

4. RENT:

A. Total Rent \$ 1,622,631.00
 (\$4,636 is to be applied pro-rata against 1st quarterly rental)
 B. Deposit \$ 100,000.00
~~\$ 1,000,000.00~~

C. RENT: Payable Quarterly in advance

1st Year	\$ <u>27,043.85</u>	9th Year	\$ <u>27,043.85</u>
2nd Year	\$ <u>"</u>	10th Year	\$ <u>"</u>
3rd Year	\$ <u>"</u>	11th Year	\$ <u>"</u>
4th Year	\$ <u>"</u>	12th Year	\$ <u>"</u>
5th Year	\$ <u>"</u>	13th Year	\$ <u>"</u>
6th Year	\$ <u>"</u>	14th Year	\$ <u>"</u>
7th Year	\$ <u>"</u>	15th Year	\$ <u>0</u>
8th Year	\$ <u>"</u>	Thereafter	\$ <u>"</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 Market Rental Value payable in advance.

6. INSURANCE: See Section 13 to Supplement No. 1 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 "A-A" to Supplement No. 2 to the Lease Agreement

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

8. SPECIAL CONDITIONS: Quarterly rental is based on 7.0% prime and shall float with prime as set forth in the Supplement to the Lease Agreement

APPROVED AND AGREED TO this 11th day of June, 19 76 as a schedule to and part of Equipment Lease Agreement dated the 14th day of May, 19 75

THE DETROIT EDISON COMPANY
 LESSEE

GREYHOUND LEASING & FINANCIAL CORPORATION,
 LESSOR

By [Signature]
 SENIOR EXECUTIVE VICE PRESIDENT
 FINANCE TITLE

By [Signature]
 SENIOR VICE PRESIDENT

(Seal) By [Signature]
 ASST. SECRETARY TITLE

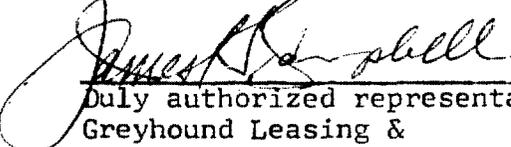
(Seal) By [Signature]
 ASSISTANT SECRETARY

CERTIFICATE OF
DELIVERY AND ACCEPTANCE

The undersigned, being the duly authorized representative of Greyhound Leasing & Financial Corporation (Greyhound) and of The Detroit Edison Company (Edison), hereby certifies that the following units of Railroad Equipment, referred to in Purchase Order Number E-322669, dated December 4, 1973 (the Purchase Order) from Edison to Ortner Freight Car Company (Ortner) as assigned to Greyhound and in the Equipment Lease Agreement (Lease) between Greyhound and Edison, dated May 14, 1975, and Supplement No. 2, dated January 30, 1976:

<u>Total No. of Units</u>	<u>Description:</u> <u>The Detroit Edison Company's Identifying Nos.</u>
23	DEEX 3551 thru DEEX 3571, also DEEX 3573 & 3575

have been duly delivered in good order by Ortner and duly inspected and accepted by the undersigned (but have not been used or placed in service) on the respective dates shown above on behalf of Greyhound and in turn have been duly delivered by Greyhound to Edison and have been duly inspected and accepted by the undersigned on said dates on behalf of Edison as conforming in all respects to the requirements and provisions of the Purchase Order and the Lease and Supplement.



Duly authorized representative of
Greyhound Leasing &
Financial Corporation and
The Detroit Edison Company

Dated: June 11, 1976

cc: J. Kerber
R. Lory

FEB 3 1976 -4 25 PM

INTERSTATE COMMERCE COMMISSION

SUPPLEMENT NO. 2 TO EQUIPMENT LEASE AGREEMENT OF MAY 14, 1975 ("LEASE" HEREIN) BY AND BETWEEN GREYHOUND LEASING & FINANCIAL CORPORATION ("LESSOR" HEREIN) AND THE DETROIT EDISON COMPANY ("LESSEE" HEREIN) DATED AS OF JANUARY 30, 1976

1. Existing Lease. Lessor and Lessee entered into an Equipment Lease Agreement and Supplement No. 1 thereto (hereinafter the "Supplement") as of May 14, 1975 (collectively referred thereto as the "Lease") pursuant to which Lessor leased to Lessee and Lessee leased from Lessor the Equipment described in Paragraph 1(a) of the Supplement.

2. Effect of Supplement No. 2. This Supplement No. 2 shall be construed as an addition and amendment to the Lease. If there be any terms or provisions set forth herein which are contrary or inconsistent with any terms or provisions of the Lease, then such terms and provisions of this Supplement No. 2 shall supersede and control those of the Lease. All other terms and provisions of the Lease not inconsistent or contrary to those set forth herein shall remain in full force and effect and shall apply to the Additional Equipment as well as to the Equipment. Lessee agrees to lease from Lessor and Lessor agrees to lease to Lessee the Additional Equipment pursuant to the terms and conditions of the Lease and this Supplement No. 2.

3. Definitions.

(A) "Additional Equipment" shall mean 600 New Pullman-Standard 100 ton Steel Bodied Gondola Railroad Cars bearing Nos. DEEX 6001-6600 (hereinafter the "Pullman Cars") and 73 New Ortner 125 Ton Aluminum Gondola Cars bearing Nos. DEEX 4201-4271, 4273 and 4275 (hereinafter the "Ortner Cars").

(B) "Cost of Additional Equipment" shall mean and refer to the consideration which Lessor shall be required to expend in the purchase of the Additional Equipment which cost shall not exceed the aggregate of \$17,400,000 for the Pullman Cars and \$3,504,000 for the Ortner Cars.

(C) "Vendor of Additional Equipment" shall mean for the Pullman Cars, Pullman-Standard, a division of The Pullman Company and for the Ortner Cars, Ortner Freight Car Company.

(D) "Commitment term for Additional Equipment" shall be January 19, 1976 through May 31, 1976 for the Pullman Cars and January 19, 1976 through August 31, 1976 for the Ortner Cars.

(E) "Stipulated Loss Value of Additional Equipment" for the term of the Lease shall be that amount that is calculated as the product of the Cost of the Additional Equipment times the applicable percentage shown in the table set forth in Exhibit "AA" which is attached hereto and by this reference made a part hereof.

4. Rents and Rental Adjustments. Lessee agrees to pay Lessor, as consideration for the leasing of the Additional 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 4, each such quarterly installment of rent for that portion of the Additional Equipment covered on any one Schedule to the Lease shall for the Pullman Cars and Ortner Cars equal 2.79039%. 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 of the Supplement) of seven percent (7%) and they do further agree that said rentals for the leasing of Additional Equipment shall be subject to periodic variation with corresponding changes in said Prime rate of interest, in accordance with the formula that is set forth in Exhibit A to the Supplement.

5. Term. The term of this Lease shall have a duration of fifteen (15) consecutive years commencing with the purchase by Lessor of the Additional 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.

6. Purchase Option. At the expiration of the fifteen year term of the Lease, or at the expiration of any renewal period, if the option under Paragraph 7 shall have been exercised, Lessee shall be entitled to purchase the Additional 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 Additional 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 Additional 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 Additional 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 Additional Equipment. The arithmetic average of the three estimated market values shall be the market value at which Lessor shall sell the Additional Equipment to Lessee.

7. 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 Additional 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 6 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 6 hereof.

8. Non-Default Status. Lessee represents and warrants that it is not in default under the Lease and that the leasing of this Additional Equipment will not place it in default under the Lease. There is no litigation pending or threatened against Lessee before any court or administrative agency, not disclosed in the Lessee's Preliminary Official Statement dated January 22, 1976 delivered to the Lessor, 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.

9. Consolidation of Lease Transactions and Obligations. Lessee acknowledges that it now has or may hereafter have other equipment lease transactions with Lessor, such other transactions being subject to Equipment Lease Agreements, Supplements and Schedules not part of the documents evidencing this lease transaction. Lessee further acknowledges that Lessor views all such transactions with Lessee as a continuing, single relationship supported by the collective value of all equipment under lease to Lessee. It is therefore acknowledged and agreed by Lessee that, without regard to the number of separate Equipment Lease Agreements, Supplements or Schedules executed between the parties, a default under any Equipment Lease Agreement, including this Lease or any Supplement or Schedule thereto, not cured within any applicable grace period, shall constitute a default under all

Equipment Lease Agreements, this Lease, all Supplements and all Schedules, and Lessor may, in its discretion, exercise its right of repossession and/or any and all other remedies available to Lessor as to any and/or all items of equipment, whether a default exists under the individual Equipment Lease Agreement, this Lease and/or any Schedule covering the equipment which Lessor repossesses or takes other action in respect thereto.

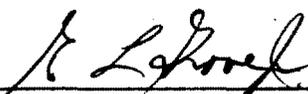
10. Prepayment of Rent. Lessee agrees upon execution of Supplement No. 2 to pay unto Lessor the sum of One Hundred Thousand Dollars (\$100,000.00), which sum shall constitute a prepayment of rent and be applied pro-rata against the initial installments of rental due hereunder. In the event, however, 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 No. 2 thereto.

11. Commitment Fee. All Units of Additional Equipment not placed on lease prior to April 19, 1976 shall earn a commitment fee (the "Commitment Fee") equal to 1/2 of 1% per annum times the Cost of such Units of Additional Equipment for the period of time between January 19, 1976 and the date such Units of Additional Equipment are in fact placed on lease. The Commitment Fee shall be paid by Lessee to Lessor by crediting it against the remaining Prepayment of Rent.

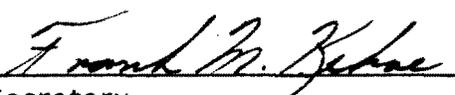
IN WITNESS WHEREOF, the parties hereto have caused this Supplement No. 2 to be executed in their respective names as of the day and year first above written.

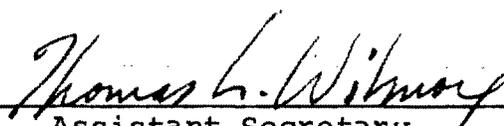
THE DETROIT EDISON COMPANY,
LESSEE

GREYHOUND LEASING & FINANCIAL
CORPORATION, LESSOR

By 
Senior Executive Vice President -
Finance

By 
Senior Vice President

By 
Secretary

By 
Assistant Secretary

Stipulated Loss Values for Additional Equipment expressed as a percentage of Cost:

<u>At Beginning of Quarter No.</u>	<u>Stipulated Loss Value</u>
1	100%
2	103.9%
3	104.7%
4	105.5%
5	106.1%
6	106.7%
7	107.2%
8	107.7%
9	108.1%
10	108.4%
11	108.7%
12	108.8%
13	109.0%
14	102.6%
15	102.6%
16	102.5%
17	102.4%
18	102.2%
19	101.9%
20	101.6%
21	101.2%
22	96.1%
23	95.1%
24	94.1%
25	93.1%
26	91.9%
27	91.0%
28	90.1%
29	89.2%
30	86.9%
31	85.6%
32	84.1%
33	82.1%
34	81.1%
35	79.4%
36	77.8%
37	76.1%
38 9/85	74.3%
39	72.4%
40	70.6%

GREYHOUND LEASING & FINANCIAL CORPORATION

GREYHOUND TOWER
PHOENIX, ARIZONA 85077

SCHEDULE NO. 3

EQUIPMENT LEASE SCHEDULE

1. DESCRIPTION OF EQUIPMENT:

- (1) GLFC No. 8-6770
- (2) Description 73 new Ortner 125 Ton Aluminum Gondola Cars, Serial Nos. DEEX 3501-3571, 3573 and 3575

2. SITUATE: Continental United States

3. TERM: 180 MONTHS COMMENCING _____

4. RENT:

A. Total Rent \$ 5,866,516.00
 to be applied pro-rata to 1st quarterly
 B. Deposit rental \$ 16,762.00

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

1st Year	\$ <u>97,775.27</u> per quarter	9th Year	\$ <u>97,775.27</u> per quarter
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.

6. INSURANCE: See Section 13 of the Supplement No. 1 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 "AA" to Supplement No. 2 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 7.00% prime rate and shall float with prime as set forth in the Supplements to the Lease Agreement

APPROVED AND AGREED TO this _____ day of _____, 19____ as a schedule to and part of Equipment Lease Agreement dated the _____ day of _____, 19____.

THE DETROIT EDISON COMPANY
LESSEE

GREYHOUND LEASING & FINANCIAL CORPORATION,
LESSOR

By _____
TITLE

By _____
Senior VICE PRESIDENT

(Seal)

By _____
TITLE

By _____
Assistant SECRETARY

(Seal)

GREYHOUND LEASING & FINANCIAL CORPORATION

GREYHOUND TOWER
PHOENIX, ARIZONA 85077

SCHEDULE NO. 2

EQUIPMENT LEASE SCHEDULE

1. DESCRIPTION OF EQUIPMENT:

- (1) GLFC No. 8-6770
- (2) Description 600 New Pullman Standard 100 ton steel bodied, high side Rotary dump gondola cars, Serial Nos. DEEX 6001-6593 and DEEX 8001-8007 Cost per car: \$29,000.00

2. SITUATE: Continental United States

3. TERM: 180 MONTHS COMMENCING _____

4. RENT:

- A. Total Rent \$ 29,131,671.00
to be applied pro-rata against 1st
- B. Deposit quarterly rent \$ 83,238.00

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

1st Year	\$ <u>485,527 per quarter</u>	9th Year	\$ <u>485,527 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.

6. INSURANCE: See Section 13 of the Supplement No. 1 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 "A" to Supplement No. 2 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 7.00% prime rate and shall float with prime as set forth in the Supplements to the Lease Agreement

APPROVED AND AGREED TO this _____ day of _____, 19____ as a schedule to and part of Equipment Lease Agreement dated the _____ day of _____, 19____.

THE DETROIT EDISON COMPANY
LESSEE

GREYHOUND LEASING & FINANCIAL CORPORATION,
LESSOR

By _____
TITLE

By _____
Senior VICE PRESIDENT

(Seal)

By _____
TITLE

By _____
Assistant SECRETARY

(Seal)

FEB 10 1976 - 3 42 PM

INTERSTATE COMMERCE COMMISSION
 AMENDMENT TO SUPPLEMENT NO. 2 TO EQUIPMENT LEASE
 AGREEMENT OF MAY 14, 1975 ("LEASE" HEREIN) BY AND
 BETWEEN GREYHOUND LEASING & FINANCIAL CORPORATION
 ("LESSOR" HEREIN) AND THE DETROIT EDISON COMPANY
 ("LESSEE" HEREIN) DATED AS OF JANUARY 30, 1976

WHEREAS, the identification of the Pullman Cars and Ortner Cars as set forth in Paragraph 3(A) of the Supplement No. 2 and as set forth in Equipment Lease Schedules No. 2 and 3 was incorrect and Lessor and Lessee desire to correct said identification.

NOW, THEREFORE, in consideration of the foregoing, Lessor and Lessee do hereby agree to (i) substitute the following new paragraph 3(A) for that paragraph 3(A) in Supplement No. 2:

"3. Definitions.

'(A) "Additional Equipment" shall mean 600 New Pullman Standard 100 ton Steel Bodied Gondola Railroad Cars bearing Nos. DEEX 6001-6593; and DEEX 8001-8007 (hereinafter the "Pullman Cars") and 73 New Ortner 125 Ton Aluminum Gondola Cars bearing Nos. DEEX 3501-3571, 3573, and 3575 (hereinafter the "Ortner Cars").'

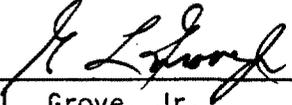
and (ii) to replace the original Equipment Lease Schedules No. 2 and 3 with corrected Schedules No. 2 and 3, which are attached hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to Supplement No. 2 to be executed in their respective names as of the day and year first above written.

THE DETROIT EDISON COMPANY,
LESSEE

GREYHOUND LEASING & FINANCIAL
CORPORATION, LESSOR

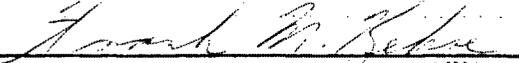
By


 E. L. Grove, Jr.
 SENIOR EXECUTIVE VICE PRESIDENT
 FINANCE

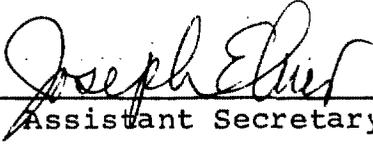
By


 Senior Vice President

By


 FRANK M. KEHOE SECRETARY

By


 Assistant Secretary

SEP 28 1988 - 2 25 PM

INTERSTATE COMMERCE COMMISSION

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (the "Assignment and Assumption Agreement") is made as of this 28th day of September, 1988, by and among PLM Railcar Management Services, Inc., a Delaware corporation ("PLM"), PLM Investment Management, Inc. ("IMI"), a California corporation, and Greyhound Financial Corporation, a Delaware corporation ("Greyhound") (formerly "Greyhound Leasing and Financial Corporation"). (All initially-capitalized terms used and not otherwise defined in this Assignment and Assumption Agreement shall have the meanings ascribed to them in the "Agreement," as hereinafter defined.)

WHEREAS, PLM and Greyhound are parties to a commitment dated as of September 8, 1988 (the "Agreement") pursuant to which PLM has purchased, among other things, the Rail Equipment, described on Schedule 1 attached hereto (the "Equipment");

WHEREAS, certain of the Equipment is subject to a Lease to Detroit Edison Company, dated as of May 14, 1975, as supplemented, (the "Lease"); and

WHEREAS, to effectuate the purchase of the Equipment, PLM has requested, and Greyhound has agreed, to assign the Lease to IMI, an affiliate of PLM;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants contained herein, Greyhound and PLM agree as follows;

1. Greyhound hereby assigns, sells and transfers the Lease to IMI without recourse, except for breaches of the representations in Section 2.c. of the Agreement.

2. IMI hereby assumes the Lease and all lessor obligations thereunder from the date hereof.

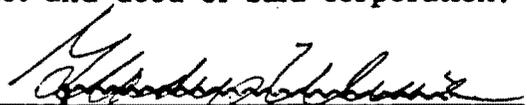
3. Greyhound shall in no way be deemed to guarantee the receipt of any rent due IMI after the date hereof under the Lease.

4. Greyhound shall indemnify and hold IMI harmless from and against any and all claims, liabilities and causes of action with respect to the rights or obligations of the Lessor under the Lease, including, but not limited to, attorneys' fees and the costs of defending such claims and causes of action (collectively, "Claims"), arising from events and occurrences before the date hereof with respect to the Equipment and the Lease, regardless of when such Claims were discovered or brought to the attention of any party hereto.

5. IMI shall indemnify and hold Greyhound harmless from and against any and all claims, liabilities and causes of action with respect to the rights or obligations of the Lessor under the Lease, including, but not limited to, attorneys' fees and the costs of defending such claims and causes of action (collectively, "Claims"), arising from events and occurrences after the date hereof with respect to the Equipment and the Lease, regardless of when such Claims were discovered or brought to the attention of any party hereto.

State of Illinois)
) ss
County of Cook)

On this 26th day of September, 1988, before me personally appeared Douglas P. Goodrich, to me personally known, who, being by me duly sworn, says that he is a Senior Vice President of PLM RAILCAR MANAGEMENT SERVICES, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was on September 26, 1988, signed and sealed 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.


Notary "OFFICIAL SEAL"
Gladys Uline
Notary Public, State of Illinois
My Commission Expires 3/9/89

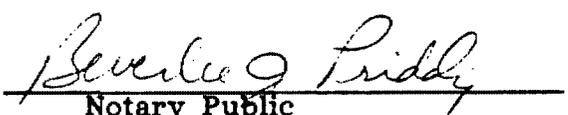
(Notarial Seal)

My Commission Expires:
3/9/89

State of California)
) ss
City and County of
San Francisco)

On this 23rd day of September, 1988, before me personally appeared Stephen M. Bess, to me personally known, who, being by me duly sworn, says that he is a Senior Vice President of PLM INVESTMENT MANAGEMENT, INC., that one of the seals affixed to that said instrument was on September 23, 1988, signed and sealed 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.

OFFICIAL SEAL
BEVERLEE J PRIDDY
NOTARY PUBLIC - CALIFORNIA
SAN FRANCISCO COUNTY
My comm. expires JUN 18, 1990


Notary Public

(Notarial Seal)

My Commission Expires:
June 18, 1990

SCHEDULE 1 to ASSIGNMENT AND ASSUMPTION AGREEMENT
SEPTEMBER 28, 1988

<u>Lessee</u>	<u>Lease/Schedule</u>	<u>Description of Equipment</u>
Detroit Edison	266290-01	287 Pullman-Standard 54' 7" 100-ton all steel high side fixed end gondolas, 4000 cubic foot capacity, roller bearings. Bearing numbers DEEX series 5501-5800 except the following destroyed units: 5554, 5623, 5656, 5630, 5688, 5720, 5587, 5635, 5503, 5534, 5617, 5675, 5695.
Detroit Edison	266290-02	545 Pullman-Standard 53' 1" 100-ton all steel high side fixed end gondolas, 4000 cubic foot capacity, roller bearings. Bearing numbers DEEX series 6001-6593, 8001-8007 except the following destroyed units: 6526, 6304, 6367, 6503, 6583, 6446, 6561, 6322, 6394, 6511, 6014, 6150, 6581, 6341, 6404, 6566, 6138, 6298, 6429, 6519, 6428, 6575, 6359, 6555, 6075, 6089, 6001, 6067, 6461, 6011, 6255, 6220, 6025, 6068, 6271, 6269, 6499, 6046, 6114, 6478, 6274, 6525, 6163, 6154, 6532, 6275, 6546, 6293, 6200, 6135, 6303, 6375, 6324, 6311, 6017.
Detroit Edison	266290-08	23 Ortner 50' 125-ton rotary dump gondolas, 5000 cubic foot capacity roller bearings. Bearing numbers DEEX series 3501-3525 except the following destroyed units: 3508, 3515.
Detroit Edison	266290-09	24 Ortner 50' 125-ton rotary dump gondolas, 5000 cubic foot capacity roller bearings. Bearing numbers DEEX series 3526-3550 except for destroyed unit 3531.
Detroit Edison	266290-10	23 Ortner 50' 125-ton rotary dump gondolas, 5000 cubic foot capacity roller bearings. Bearing numbers DEEX series 3551-3571, 3573 and 3575.
Detroit Edison	266291-01	5 General Electric U30C 3000 Horse Power Class C-C locomotives bearing road numbers DE 018-022 inclusive.

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS:

THAT, GREYHOUND FINANCIAL CORPORATION, (formerly Greyhound Leasing & Financial Corporation) a Delaware corporation with its principal place of business located at Greyhound Tower, Phoenix, Arizona 85077 (hereinafter referred to as "Greyhound"), in consideration of the sum of ONE DOLLAR (U.S. \$1.00) plus any and all applicable sales or Use Taxes paid to it by PLM Railcar Management Services, Inc., a Delaware corporation and its designees (hereinafter referred to as "Purchaser") the receipt and sufficiency of which is hereby acknowledged, does hereby convey and sell to Purchaser its successors and assigns certain equipment (the "Equipment") pursuant to executed commitment letter dated September 8, 1988 ("Commitment Letter") and subject to the terms and conditions contained therein said Equipment being more specifically described as follows:

<u>Lessee</u>	<u>Lease/Schedule</u>	<u>Description of Equipment</u>
Detroit Edison	266290-01	287 Pullman-Standard 54' 7" 100-ton all steel high side fixed end gondolas, 4000 cubic foot capacity, roller bearings. Bearing numbers DEEX series 5501-5800 except the following destroyed units: 5554, 5623, 5656, 5630, 5688, 5720, 5587, 5635, 5503, 5534, 5617, 5675, 5695.
Detroit Edison	266290-02	545 Pullman-Standard 53' 1" 100-ton all steel high side fixed end gondolas, 4000 cubic foot capacity, roller bearings. Bearing numbers DEEX series 6001-6593, 8001-8007 except the following destroyed units: 6526, 6304, 6367, 6503, 6583, 6446, 6561, 6322, 6394, 6511, 6014, 6150, 6581, 6341, 6404, 6566, 6138, 6298, 6429, 6519, 6428, 6575, 6359, 6555, 6075, 6069, 6001, 6067, 6461, 6011, 6255, 6220, 6025, 6068, 6271, 6269, 6499, 6046, 6114, 6478, 6274, 6525, 6163, 6154, 6532, 6275, 6546, 6293, 6200, 6135, 6303, 6375, 6324, 6311, 6017.
Detroit Edison	266290-08	23 Ortner 50' 125-ton rotary dump gondolas, 5000 cubic foot capacity, roller bearings. Bearing numbers DEEX series 3501-3525 except the following destroyed units: 3508, 3515.

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Detroit Edison	266291-01	5 General Electric U30C 3000 Horse Power Class C-C locomotives bearing road numbers DE 018-022 inclusive.

TO HAVE AND TO HOLD the same unto said Purchaser its successors and assigns forever.

GREYHOUND, BY THIS INSTRUMENT, MAKES NO WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, EXCEPT THAT GREYHOUND WARRANTS THAT IT HAS GOOD AND MARKETABLE TITLE TO THE EQUIPMENT FREE AND CLEAR OF ANY LIENS OR ENCUMBRANCES EXCEPT FOR THAT CERTAIN LEASE AGREEMENT DATED MAY 14, 1975, (the "Lease") AND ALL SCHEDULES THERETO BY AND BETWEEN GREYHOUND LEASING & FINANCIAL CORPORATION, NOW KNOWN AS GREYHOUND FINANCIAL CORPORATION, AS LESSOR, AND DETROIT EDISON COMPANY, AS LESSEE, AND GREYHOUND WILL PROTECT AND DEFEND, AT NO COST TO THE PURCHASER, PURCHASER AGAINST ANY PERSON LAWFULLY OR UNLAWFULLY ASSERTING A TITLE OR LIEN CLAIM AGAINST THE EQUIPMENT OR THE LEASE FOR ANY ACT WHICH HAD OCCURRED PRIOR TO THE DATE HEREOF. Notwithstanding the above, the representations and warranties of Greyhound as set forth in the Commitment Letter are incorporated herein and effective as of the date hereof.

FURTHER, GREYHOUND MAKES NO WARRANTY AS TO THE MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF SAID EQUIPMENT, IT BEING UNDERSTOOD THE PURCHASER IS PURCHASING THE EQUIPMENT ON AN "AS-IS, WHERE-IS" BASIS. Purchaser assumes all risks for damages of whatsoever nature resulting from or incidental to the Equipment howsoever arising, whether to agents, employees or property of Purchaser, Greyhound or third parties. Purchaser will hold Greyhound harmless from all losses, damages, claims, liabilities and expenses, including legal fees, arising from an occurrence after the date hereof with respect to the ownership, leasing or use of the Equipment because of or incidental to the Equipment or the sale, delivery, use operation or storage thereof.

IN WITNESS WHEREOF, GREYHOUND has caused this instrument to be executed by its duly authorized officer as of this 28 day of September, 1988.

GREYHOUND FINANCIAL CORPORATION

By: [Signature] KCM
Its: SA, V-P

STATE OF ARIZONA)
) to wit:
COUNTY OF MARICOPA)

The foregoing Bill of Sale was acknowledged before me this 28 day of SEPTEMBER, 1988, by M.G. Roth and [Signature], respectively of GREYHOUND FINANCIAL CORPORATION, on behalf of said corporation.

IN WITNESS WHEREOF, I hereby set my official hand and seal.

[Signature: Dana L. Ellis]
Notary Public

My Commission Expires:

My Commission Expires Nov. 23, 1990

EXHIBIT B

Detroit Edison Serial #'s

<u>450 CARS</u>	<u># DESTROYED</u>
6106-6113	6114
6115-6134	6135
6136-6137	6138
6139-6149	6150
6151-6153	6154
6155-5162	6163
6164-6199	6200
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6576-6582	6583
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8001-8007	

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