



DONELAN CLEARY
WOOD & MASER, P.C.

April 27, 1999

RECORDATION NO.

22124, A
↑
FILED

APR 27 '99

8-30AM

New Recordation No. and -A

Dear Mr. Williams:

On behalf of The Detroit Edison 1999 Railcar Trust, a Delaware business trust, I submit for filing and recording under 49 U.S.C. § 11301 and the regulations applicable thereunder, counterparts of a primary document and a related secondary document, not previously recorded.

The document to be recorded under a new Recordation No. is entitled Memorandum of Lease, dated as of April 27, 1999, ("Lease"), and is a lease by the Lessor to the Lessee of 976 BethGon Coalporter cars identified in Exhibit A thereof (copy attached).

The parties to the above-mentioned document are:

The Detroit Edison 1999 Railcar Trust - Lessor
c/o Wilmington Trust Company
Rodney Square North
1100 North Market Street
Wilmington, DE 19890-0001

The Detroit Edison Company - Lessee
2000 2nd Avenue
Detroit, MI 48226-1279

The document to be recorded under -A of the new Recordation No. is entitled Assignment of Lease and Rents, dated as of April 27, 1999 ("Assignment") and is an assignment of a security interest in the rail cars identified in Exhibit A to the above-mentioned Lease and the rents and other proceeds therefrom by the Lessor/Assignor to the Assignee.

The parties to the above-mentioned Assignment recorded under -A of the new Recordation No. are:

The Detroit Edison 1999 Railcar Trust - Lessor/ASSIGNOR
c/o Wilmington Trust Company
Rodney Square North
1100 North Market Street
Wilmington, DE 19890-0001

Counterpart to A-H Harrison

Chase Manhattan Trust Company, - ASSIGNEE
National Association
Suite 220
250 West Huron Road
Cleveland, OH 44113

Please index separately the name of the above-mentioned Assignee, in the STB
"Vendee/Assignee" Index Book (white pages)" as follows:

Index under Chase Manhattan Trust Company, National Association, saying, "See
Recordation No. 22124-A."

The units of equipment covered by the two enclosed documents are as mentioned above,
namely 976 BethGon Coalporter cars (aluminum rotary dump cars) as listed in Exhibit A.

A short summary to be put in the STB Index Book as to the Lease is as follows:

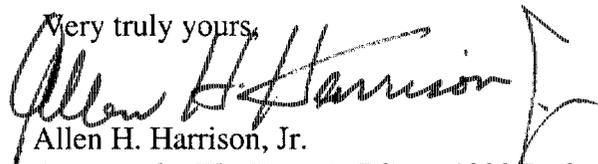
"Covers lease of 976 BethGon Coalporter cars in Exhibit A, under DEEX and
DETX numbers."

A short summary to be put in the STB Index Book as to the Assignment, recorded under
A of the new Recordation No., is as follows:

"Assignment of security interest in units in Exhibit A of Memorandum of Lease and rents
and proceeds therefrom."

Enclosed is a check in the amount of fifty-two dollars (\$52) in payment of the filing fees.

Once the filings have been made, please return to bearer the stamped counterpart(s) of the
documents not required for filing purposes, together with the letter/fee receipt from the STB
acknowledging the filings, and the two extra copies of this letter of transmittal.

Very truly yours,

Allen H. Harrison, Jr.
*Attorney for The Detroit Edison 1999 Railcar Trust
for the purpose of this filing.*

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Enclosures
BY HAND
8384-020

Exhibit A

Legal Description

Supplier	Supplier	Model	Car Numbers	Quantity
Aluminum Rotary Dump Railcars	Johnstown America	Bethgon Coalporter	DEEX 6878 - 7107	230
Aluminum Rotary Dump Railcars	Johnstown America	Bethgon Coalporter	DETX 301 - 550	250
Aluminum Rotary Dump Railcars	Johnstown America	Bethgon Coalporter	DETX 980000 - 980119	120
Aluminum Rotary Dump Railcars	Johnstown America	Bethgon Coalporter	DEEX 980000 - 980375	376
				976
Tractor-Type Bulldozer	Caterpillar	D11R	S/N 9TR00389	1

MEMORANDUM OF LEASE

APR 27 '99

8-30AM

MEMORANDUM OF LEASE (this "Memorandum of Lease") dated as of April 27, 1999 is made by and between THE DETROIT EDISON 1999 RAILCAR TRUST, a Delaware business trust with an address c/o Wilmington Trust Company, Rodney Square North, 1100 North Market Street, Wilmington, Delaware 19890-0001, as lessor and as mortgagee, beneficiary and secured party (the "Lessor"), and THE DETROIT EDISON COMPANY, a Michigan Corporation having its principal office at 2000 2nd Avenue, Detroit, Michigan 48226-1279, as lessee and as mortgagor and debtor (the "Lessee").

Agreement

In consideration of the premises and the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Definitions; Interpretation. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned thereto in the Lease dated as of April 27, 1999 between Lessor and Lessee (as supplemented with any Lease Supplements or Memoranda of Lease and as it may be further amended, supplemented or otherwise modified from time to time in accordance with the terms thereof or of any other Operative Agreement, the "Lease").

SECTION 2. Lease Term

i. Pursuant to the terms of the Lease, the Lessor has leased to the Lessee certain equipment (the "Equipment") described on the attached Exhibit A. The Equipment is leased for a Term commencing on April 27, 1999 and terminating on April 15, 2009, unless the Term is earlier terminated in accordance with the terms of the Lease.

ii. The Lease contains certain mandatory and optional purchase rights and options during the Term pursuant to which the Lessee may acquire the Equipment.

iii. In addition to those terms referred to herein, the Lease contains numerous other terms, covenants and conditions which affect the Equipment, and notice is hereby given that reference should be had to the Lease with respect to the details of such terms, covenants and conditions. A copy of the Lease or of the other agreements referenced herein or therein may be obtained from any of the parties hereto at the addresses set forth herein.

SECTION 3. Ownership of the Equipment. (a) Lessor and Lessee intend that (i) for financial accounting purposes with respect to Lessee (A) this Lease will be treated as an "operating lease" pursuant to Statement of Financial Accounting Standards (SFAS) No. 13, as amended, (B) Lessor will be treated as the owner and lessor of the Equipment and (C) Lessee will be treated as the lessee of the Equipment, but (ii) for (x) federal, state and local income tax

purposes, (y) bankruptcy purposes and (z) for the purposes of creating a security interest in the Equipment for the benefit of the Lessor and the exercising of remedial rights with respect to such security interest (A) this Lease will be treated as a financing arrangement, (B) Lessor will be treated as a lender making a loan to Lessee in an amount equal to the Equipment Acquisition Costs, which loan is secured by the Equipment, and (C) Lessee will be treated as the owner of the Equipment and will be entitled to all tax benefits ordinarily available to an owner of property like the Equipment for such tax purposes.

(b) Lessor and Lessee further intend and agree that, for the purpose of securing Lessee's obligations for the repayment of the above-described loans, (i) this Lease shall also be a security agreement (as defined in Section 1-201(37) of the Uniform Commercial Code) and financing statement within the meaning of Article 9 of the Uniform Commercial Code; (ii) the conveyance provided for in Section 2 of the Lease shall be deemed a grant of a security interest in Lessee's right, title and interest in the Equipment (including the right to exercise all remedies as are contained herein upon the occurrence of an Event of Default) and all proceeds of the conversion, voluntary or involuntary, of the foregoing into cash, investments, securities or other property, whether in the form of cash, investments, securities or other property, for the benefit of the Lessor to secure the Lessee's payment of all amounts owed by the Lessee under this Lease, including, without limitation, the payment required to be made pursuant to Section 17.2 of the Lease upon the occurrence of an Event of Default, and the other Operative Agreements and Lessor holds title to the Equipment so as to create and grant a first lien and prior security interest in the Equipment pursuant to this Lease for the benefit of the Lessor; (iii) the possession by Lessor or any of its agents of notes and such other items of property as constitute instruments, money, negotiable documents or chattel paper shall be deemed to be "possession by the secured party" for purposes of perfecting the security interest pursuant to Section 9-305 of the Uniform Commercial Code; and (iv) notifications to Persons holding such property, and acknowledgments, receipts or confirmations from financial intermediaries, bankers or agents (as applicable) of Lessee shall be deemed to have been given for the purpose of perfecting such security interest under applicable law. Lessor and Lessee shall take such actions as may be necessary to ensure that such security interest is a perfected security interest of first priority under applicable law and will be maintained as such throughout the Term. Nevertheless, Lessee acknowledges and agrees that no Indemnified Person has provided or will not provide tax, accounting or legal advice to Lessee regarding this Lease, the other Operative Agreements or the transactions contemplated hereby, or made any representations or warranties concerning the tax, accounting or legal characteristics of this Lease or the other Operative Agreements, and that Lessee has obtained and relied upon such tax, accounting and legal advice concerning this Lease as it deems appropriate.

(c) Lessor and Lessee further intend and agree that in the event of any insolvency or receivership proceedings or a petition under the United States bankruptcy laws or any other applicable insolvency laws or statute of the United States of America or any State or Commonwealth thereof affecting Lessee or Lessor, the transactions evidenced by this Lease shall be regarded as loans made by an unrelated third party lender to Lessee.

SECTION 4. Grant of Mortgage Lien and Security Interest; Assignment of Rents. Title to the Equipment shall remain in Lessor as security for the obligations of Lessee hereunder and under each of the Operative Agreements until such time as Lessee has fulfilled all of its obligations hereunder and under such other Operative Agreements. Lessee hereby assigns, grants and pledges to Lessor for the benefit of Lessor a security interest in all of Lessee's right, title and interest, whether now or hereafter existing or acquired, in the Equipment, to secure the payment and performance of all obligations of Lessee now or hereafter existing under this Lease or any other Operative Agreement (the "Lease Secured Obligations"). Lessee shall, at its expense, do any further act and execute, acknowledge, deliver, file, register and record any further documents which Lessor may reasonably request in order to protect its title to and perfected security interest in the Equipment, subject to no Liens other than Permitted Liens, and Lessor's rights and benefits under this Lease. Lessee shall promptly and duly execute and deliver to Lessor such documents and assurances and take such further action as Lessor may from time to time reasonably request in order to carry out more effectively the intent and purpose of this Lease and the other Operative Agreements, to establish and protect the rights and remedies created or intended to be created in favor of Lessor hereunder and thereunder, and to establish, perfect and maintain the right, title and interest of Lessor, in and to the Equipment, subject to no Lien other than Permitted Liens, including, without limitation, filings with the Surface Transportation Board in accordance with 49 U.S.C. §11301 and with the Registrar General of Canada pursuant to Section 105 of the Canada Transportation Act and the filing of such financing statements or fixture filings or other documents with respect hereto as Lessor may from time to time reasonably request, and Lessee agrees to execute and deliver promptly such of the foregoing filings, financing statements and fixture filings or other documents as may require execution by Lessee. To the extent permitted by applicable laws, Lessee hereby authorizes any filings with the Surface Transportation Board and the Registrar General of Canada and such financing statements and fixture filings to be filed without the necessity of the signature of Lessee, if Lessee has failed to sign any such instrument within 10 days after request therefor by Lessor.

SECTION 5. Remedies. If any Event of Default shall have occurred and be continuing, Lessor may exercise in any order one or more or all of the remedies set forth in this Section 5 (it being understood that no remedy herein conferred is intended to be exclusive of any other remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute).

(a) Lessor may proceed by appropriate court action or actions, either at law or in equity, to enforce performance by Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof;

(b) Lessor may by notice in writing to Lessee terminate this Lease but Lessee shall remain liable as hereinafter provided; and Lessor may, at its option, do any one or more of the following: (i) declare the Termination Value, plus all other amounts owing in respect of Rent or Supplemental Rent theretofore accruing under this Lease, all other amounts then payable by Lessee under this Lease and the other Operative Agreements to be immediately due and payable, and recover any other damages and expenses in addition

thereto which Lessor shall have sustained by reason of such Event of Default; (ii) enforce the security interest given hereunder pursuant to the Uniform Commercial Code as provided in Section 28 of the Lease or any other law; (iii) enter upon the premises where the Equipment is located and take possession of it; and (iv) require Lessee to return the Equipment as provided in Section 10.2 of the Lease; or

(c) Lessor may require Lessee immediately to purchase the Equipment for a purchase price equal to the sum of the Termination Value, plus all other amounts owing in respect of Rent or Supplemental Rent theretofore accruing under this Lease and all other amounts then due and payable under the Operative Agreements.

SECTION 6. Ratification. Except as expressly set forth herein, this Memorandum of Lease does not alter, amend, modify or change the Lease or the exhibits thereto. It is the intent of the parties that this Memorandum of Lease be recorded and give notice of and confirm the Lease and exhibits thereto to the same extent as if all of the provisions of the Lease and exhibits thereto were fully set forth herein. The Lease and exhibits thereto are incorporated by reference in this Memorandum of Lease and, except as expressly modified hereby, the terms and provisions of the Lease are hereby ratified and confirmed and remain in full force and effect.

SECTION 7. Original Memorandum of Lease. Notwithstanding anything to the contrary set forth in the documentary conventions, the single executed original of this Memorandum of Lease marked "THIS COUNTERPART IS THE ORIGINAL EXECUTED COUNTERPART" on the signature page thereof and containing the receipt of the Assignee, as Indenture Trustee therefor on or following the signature page thereof shall be the Original Executed Counterpart of this Memorandum of Lease (the "Original Executed Counterpart"). To the extent that this Memorandum of Lease constitutes chattel paper, as such term is defined in the Uniform Commercial Code as in effect in any applicable jurisdiction, no security interest in this Memorandum of Lease may be created through the transfer or possession of any counterpart other than the Original Executed Counterpart.

SECTION 8. GOVERNING LAW. THE LEASE AND THIS MEMORANDUM OF LEASE HAVE BEEN DELIVERED IN, AND SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE.

SECTION 9. Merger. If the fee simple title to the Equipment and the leasehold interest therein shall be held by the same party, the interest in the Equipment granted to the Lessor pursuant to the Lease and this Memorandum of Lease shall not terminate or be merged, and the Lease and this Memorandum of Lease shall remain in full force and effect.

SECTION 10. Maximum Interest Rate. No provision of this Memorandum of Lease or any transaction related thereto shall require the payment or permit the collection of interest or any other amount in excess of the maximum permitted by applicable law. If any excess of interest or any other amount in such respect is herein or any other Operative Agreement

provided for, the Lessee shall not be obligated to pay such excess interest or any other amounts in excess of the amount permitted by applicable law, and the right to demand the payment of any such excess shall be and hereby is waived, and this provision shall control any other provision of this Memorandum of Lease and the other Operative Agreements.

SECTION 11. Assignment to Assignee. Pursuant to the Assignment of Lease, the Lessor has assigned to the Assignee, as Indenture Trustee, all of its right, title and interest in and to the Lease, together with all Rent, and in confirmation thereof the Lessor does hereby assign, transfer and set over unto the Assignee, as Indenture Trustee, subject to the terms of the Assignment of Lease, all of the right, title and interest of the Lessor in and to all of the Lease, together with all Rent, all modifications, renewals and extensions thereof and any guarantees of the Lessee's obligations under the Lease.

SECTION 12. Counterparts. This Memorandum of Lease may be executed in several counterparts, each of which shall be an original except as provided in Section 7, above, and all of which together shall constitute but one and the same instrument.

SECTION 13. Security Agreement and Financing Statement. The mailing address of debtor (the Lessee herein) and of the secured party (the Lessor herein) from which information concerning security interests hereunder may be obtained is as set forth on the signature pages of this instrument. A carbon, photographic or other reproduction of this instrument or of any financing statement related to this instrument shall be sufficient as a financing statement for any of the purposes referenced herein.

SECTION 14. Financing Statement. For purposes of this instrument as a fixture filing, and for all other purposes, unless otherwise specifically provided herein, all notices, consents, directions, approvals, instructions, requests and other communications required or permitted by the terms hereof to be given to any Person to be effective shall be in writing (including by Facsimile transmission) and shall be deemed to have been duly given or made (a) when delivered by hand, (b) one Business Day after delivery to such nationally recognized courier service specifying overnight delivery, (c) three Business Days after being deposited in the mail, certified or registered, postage prepaid or (d) in the case of Facsimile notice, when received, addressed to such Person as indicated:

Address of Lessee/debtor:

2000 2nd Avenue
Detroit, Michigan
48226-1279

Attention: Assistant Treasurer
Fax: 313-235-6743

Address of Lessor/secured party:

c/o Wilmington Trust Company
Rodney Square North,
1100 North Market Street,
Wilmington, Delaware 19890-0001

From time to time any party may designate a new address for purposes of notice hereunder by notice to each of the other parties hereto.

IN WITNESS WHEREOF, each of the parties hereto has caused this Memorandum of Lease to be duly executed by an officer thereunto duly authorized as of the date and year first above written.

LESSOR

THE DETROIT EDISON 1999 RAILCAR TRUST

By: WILMINGTON TRUST COMPANY, not
in its individual capacity but solely as
Trustee

By: 
Name: Emmett R. Harmon
Title: Vice President

Mailing Address:

Rodney square North
1100 North Market Street
Wilmington, Delaware 19890-0001

LESSEE

THE DETROIT EDISON COMPANY

By: _____
Name:
Title

Mailing Address:

2000 2nd Avenue
Detroit, Michigan
48226-1279

IN WITNESS WHEREOF, each of the parties hereto has caused this Memorandum of Lease to be duly executed by an officer thereunto duly authorized as of the date and year first above written.

LESSOR

THE DETROIT EDISON 1999 RAILCAR TRUST

By: WILMINGTON TRUST COMPANY, not
in its individual capacity but solely as
Trustee

By: _____
Name:
Title:

Mailing Address:

Rodney square North
1100 North Market Street
Wilmington, Delaware 19890-0001

LESSEE

THE DETROIT EDISON COMPANY

By: _____ 
Name: C. C. Anani
Title: Assistant Treasurer

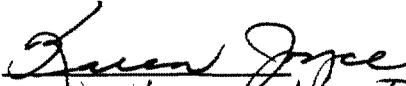
Mailing Address:

2000 2nd Avenue
Detroit, Michigan
48226-1279

Receipt of this original counterpart of the foregoing Memorandum of Lease is hereby acknowledged on this 27th day of April, 1999.

CHASE MANHATTAN TRUST COMPANY,
NATIONAL ASSOCIATION, as Assignee

By:


Name: KAREN JOYCE
Title: VICE PRESIDENT

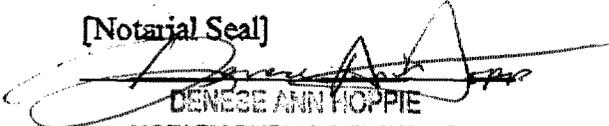
STATE OF Delaware)

) :

COUNTY OF New Castle)

On this 22nd day of April, 1999 before me personally came Emmett R. Harmon to me known, who, being by me duly sworn, did depose and say that he is Vice President of WILMINGTON TRUST COMPANY, one of the corporations which executed the foregoing instrument; that he signed his name thereto by authority of the Board of Directors of said corporation.

[Notarial Seal]



DENESE ANN HOPPE

NOTARY PUBLIC-DELAWARE

My Commission Expires January 26, 2001

STATE OF _____)

) :

COUNTY OF _____)

On this ____ day of April, 1999 before me personally came _____ to me known, who, being by me duly sworn, did depose and say that he is _____ of THE DETROIT EDISON COMPANY, one of the corporations which executed the foregoing instrument; that he signed his name thereto by authority of the Board of Directors of said corporation.

[Notarial Seal]

STATE OF _____)
) :
COUNTY OF _____)

On this ____ day of April, 1999 before me personally came _____ to me known, who, being by me duly sworn, did depose and say that he is _____ of WILMINGTON TRUST COMPANY, one of the corporations which executed the foregoing instrument; that he signed his name thereto by authority of the Board of Directors of said corporation.

[Notarial Seal]

STATE OF MICHIGAN)
) :
COUNTY OF WAYNE)

On this 22 day of April, 1999 before me personally came C.C. ARVANZ to me known, who, being by me duly sworn, did depose and say that he is ASSISTANT TREASURER of THE DETROIT EDISON COMPANY, one of the corporations which executed the foregoing instrument; that he signed his name thereto by authority of the Board of Directors of said corporation.

[Notarial Seal]

Geraldine Green

GERALDINE GREEN
Notary Public, Oakland County, MI
My Commission Expires Sept. 22, 2001

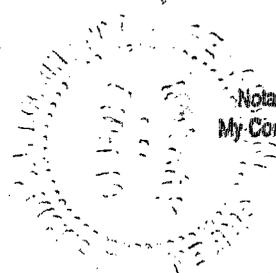


Exhibit A
Legal Description

Supplier	Supplier	Model	Car Numbers	Quantity
Aluminum Rotary Dump Railcars	Johnstown America	Bethgon Coalporter	DEEX 6878 - 7107	230
Aluminum Rotary Dump Railcars	Johnstown America	Bethgon Coalporter	DETX 301 - 550	250
Aluminum Rotary Dump Railcars	Johnstown America	Bethgon Coalporter	DETX 980000 - 980119	120
Aluminum Rotary Dump Railcars	Johnstown America	Bethgon Coalporter	DEEX 980000 - 980375	376
				976
Tractor-Type Bulldozer	Caterpillar	D11R	S/N 9TR00389	1