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LAW OFFICES

ALVORD AND ALVORD

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ELLSWORTH C. ALVORD (1964)

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17351

MAY 29 1991 - 1 50 PM

INTERSTATE COMMERCE COMMISSION

1-149A061

#30

May 29, 1991

Mr. Sidney L. Strickland, Jr.
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

RECORDATION NO. 17351 FILED 125

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INTERSTATE COMMERCE COMMISSION

SSION

Dear Mr. Strickland:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two (2) copies of a Railcar Lease Agreement dated as of January 1, 1989, a primary document as defined in the Commission's Rules for the Recordation of Documents under 49 C.F.R. Section 1177.

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

Lessor/Assignor: Chemical Bank
277 Park Avenue
New York, New York

Lessee: The Detroit Edison Company
6200 West Warren Street
Detroit, Michigan 48210

Assignee: Residual Based Finance Corporation
Three First National Plaza
Chicago, Illinois 60602

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A description of the railroad equipment covered by the enclosed document is set forth in Exhibit A attached hereto and made a part hereof.

Also enclosed is a check in the amount of \$30 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return stamped copies of the enclosed document to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006.

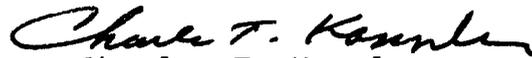
Charles T. Kappler

Mr. Sidney L. Strickland, Jr.
May 29, 1991
Page Two

A short summary of the enclosed documents to appear in the Commission's Index is:

Railcar Lease Agreement dated as of January 1, 1989 between Chemical Bank, Lessor, and The Detroit Edison Company, Lessee, and an Assignment of Lease dated April 25, 1990 from Chemical Bank, Assignor, to Residual Based Finance Corporation, Assignee, covering railcars bearing DEEX reporting marks and numbers.

Very truly yours,


Charles T. Kappler

CTK/bg
Enclosures

EXHIBIT A

to the
 Railcar Lease Agreement
 dated as of January 1, 1989
 between
 Chemical Bank Corporation
 and
 The Detroit Edison Company

<u>Description</u>	<u>No. of Cars</u>	<u>Lease Term</u>	<u>Lease Charges</u>	<u>Car Markings</u>	
125 Ton 5160 cubic foot, aluminum bodied, steel underframe high side rotary dump gondola cars	99	seventy-two (72) months	\$275.00 per car per month	DEEX 1081	2142
				1083	2146
				1086	2148-
				1088	2153
				1091-94	3076
				1096-98	3078
				1100-02	3081-
				1109-10	3085-
				1112	3093
				1116	3096-
				1118-19	3104
				1121	3108-
				1126-27	3111-
				1130-32	3117
				1135-37	3120
				1142-43	3123
				1145	3125-
				1148-49	3128
				1151	3130
				1153	3134
				2084	3135
				2086-87	3136
				2089	3139
				2092-93	
2095					
2097					
2100					
2105					
2107-08					
2110-13					
2118-19					
2125-27					
2133					
2135-37					
2139-40					

RAILCAR LEASE AGREEMENT

THIS AGREEMENT, made and entered into as of this 1st day of January, 1989, by and between Chemical Bank, a New York banking corporation, hereinafter called "Lessor", and The Detroit Edison Company, a Michigan corporation, hereinafter called "Lessee".

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INTERSTATE COMMERCE COMMISSION

1. Equipment and Lease Charges: Lessor agrees to furnish to the Lessee, and the Lessee agrees to accept and use, upon the terms and conditions herein set forth, the following railcars (hereafter "Cars") described in Exhibit A attached hereto, for the use of each of which the Lessee agrees to pay Lessor the lease charges (hereafter "Lease Charges") set forth in Exhibit A.

Lease Charges shall become effective, with regard to each of the Cars, upon the date of the delivery of each as hereafter provided in Article 2, and shall continue in effect, with regard to each of the Cars, until returned to Lessor at the end of the term of this Agreement, as hereafter provided in Article 5 or unless lost, damaged or destroyed, the payment of which is described in Article 4. Payment of Lease Charges shall be made to Lessor at the address specified in Article 15, or to such other place as Lessor may reasonably direct, on the last day of each month in arrears, with the first month's payment due on January 31, 1989. Rent for any Car for any partial month shall be pro-rated on a daily basis. Any costs incurred by Lessor in collecting Lease Charges wrongfully withheld by Lessee, including reasonable attorney fees, will be paid by Lessee.

Lessee shall not be entitled to any abatement of rent, reduction thereof or set-off, counterclaim, recoupment or defense against rent or any other amount payable hereunder for any reason (except as expressly provided herein), including, but not limited to, abatements, reductions, set-offs, counterclaims, recoupments or defenses due or alleged to be due by reason of any past, present or future claims of Lessee against Lessor or any other person for any reason whatsoever, except as otherwise provided herein; nor shall this Agreement terminate or the obligations of Lessee be otherwise affected by reason of any defect in the condition, design, operation or fitness for use of any Car or damage to or loss of possession or loss of use or destruction of all or any of such Cars from whatever cause and of whatever duration, except as otherwise provided herein, or the prohibition of or other restriction against Lessee's use of all or any such Cars, or the interference with such use by any person or entity or the invalidity or unenforceability or lack of due authorization of this Agreement or any insolvency of or the bankruptcy, reorganization or similar proceeding against Lessee.

Lessor covenants that so long as Lessee is not in default hereunder, Lessee shall have and enjoy an unconditional right quietly to enjoy and use all Cars free from any disturbance or interruption of possession arising as a result of any action or inaction, failure of title, or conduct of or by Lessor, or of or by any assignee of its rights hereunder.

2. Delivery of Cars: All Cars are deemed delivered as all Cars are currently in Lessee's possession and control, unless Lessee provides evidence to Lessor that any Car has been lost, stolen or destroyed prior to January 1, 1989, such evidence to be provided to Lessor no later than January 31, 1989. Original delivery occurred at the commencement of the Railcar Lease Agreement dated January 1, 1988 by and between Lessor and Lessee which preceded this Agreement.

3. Warranties and Representation: LESSOR LEASES THE CARS AS IS AND MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND RESPECTING THE CARS WHETHER STATUTORY, WRITTEN, ORAL OR IMPLIED AND LESSOR HAS NOT MADE AND DOES NOT HEREBY MAKE, NOR SHALL IT BE DEEMED BY VIRTUE OF HAVING LEASED THE CARS PURSUANT TO THIS AGREEMENT TO HAVE MADE, ANY REPRESENTATION OR WARRANTY AS TO THE MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE WORKMANSHIP IN, THE CARS, ALL OF WHICH ARE EXPRESSLY DISCLAIMED AND LESSOR SHALL NOT BE LIABLE, IN CONTRACT, TORT TO OTHERWISE, ON ACCOUNT OF ANY DEFECT, WHETHER HIDDEN, LATENT OR OTHERWISE DISCOVERABLE OR NONDISCOVERABLE RESPECTING ANY CAR.

4. Responsibility for Damage or Destruction of Cars: If any of the cars are lost, destroyed, or damaged beyond economic repair in the opinion of Lessee (except when the car is in the possession of Lessor), Lessee agrees to pay Lessor a settlement value for the Car as listed in Exhibit B within 60 days of advising Lessor of such occurrence. Lease Charges with respect to any Car shall abate upon the date Lessor is paid for such Car that has been lost, destroyed, or damaged beyond economic repair.

Upon payment by Lessee to Lessor of the settlement value of any Car as hereinabove provided, so long as Lessee is not in default hereunder, such Car and/or devices shall become the property of the Lessee.

In order to facilitate the sale or other disposition of any Car which becomes Lessee's property as hereinbefore provided, Lessor shall, upon request of Lessee, execute and deliver to Lessee or to Lessee's vendee, assignee or nominee, a bill of sale for such Car, warranting title free and clear of all liens, security interests, and other encumbrances (except such as may have arisen by, through or under Lessee during the term of this Agreement) and such other documents as may be required to release such Car from the terms and scope of this Agreement and from any other lien or encumbrance of Lessor's making, undertaking or sufferance, in such forms as may be reasonably required by the Lessee.

5. Return of Cars: The Lessee agrees, immediately upon the expiration or termination of this Agreement without demand by Lessor, to deliver each of the Cars to Lessor uncontaminated and in good working condition fit for interchange and free of liens arising by, through or under Lessee, at a point designated by the Lessor within a four hundred (400) mile radius of Detroit, Michigan and to pay rent on each Car until such return. Rent for each Car shall cease as each Car is returned in the above condition to the point referenced above, or are placed in storage at the request of Lessor as stated below. Lessee shall provide up to ninety (90) days free storage for all or less than all of the Cars at the request of the Lessor at the expiration or termination of this Agreement.

6. Maintenance: Lessee agrees to maintain at its own expense each of the Cars in good condition and repair, in conformity with all applicable laws and regulations including the AAR Code of Rules and FRA Railroad Freight Car Safety Standards.

Neither party to this Agreement will alter materially the physical structure or allow any third party to alter materially the physical structure of any of the Cars without the other party's written consent.

7. Freight and Other Charges: Lessor shall not be obligated for the payment of any switching, freight, or other charges incurred by the movement or the holding of the Cars, either loaded or empty, during the term of this Agreement, all of which will be paid by Lessee. Lessor shall have no right or claim to any per diem, demurrage or other Car hire charges arising out of the use of the Cars and all such charges, as applicable, shall belong and be payable to Lessee.

8. Lettering of Cars: Lessee will supply reporting marks for the Cars in accordance with the AAR Code of Rules as indicated in Exhibit A. Lessee agrees to keep and maintain on the sides of each Car in letters not less than one-half inch in height the words "OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED WITH THE INTERSTATE COMMERCE COMMISSION" or any other ownership stencil that currently appears on the Cars.

9. Responsibility for Taxes: Lessee agrees to assume responsibility for all taxes, costs, fines and assessments of every kind upon the Cars, and to file all reports relating thereto; provided, however, that Lessee shall not be responsible for federal or state taxes based upon the income of Lessor or for any franchise or value added tax (including Michigan single business tax). The Lessee shall be responsible for any ~~other~~ SALES and use taxes based on the Lease payments or purchase of the Cars. 219

10. Responsibility for Lading: Lessor shall not be liable for any loss of, or damage to, commodities, or any part thereof, loaded or shipped in the Cars, however such loss or damage shall be caused, or shall result. The Lessee agrees to assume responsibility for, and to indemnify Lessor against, and to save it harmless from, any such loss or damage or claim therefor.

11. Indemnification: Lessee agrees to indemnify and save Lessor harmless from any and all claims, demands, causes of action, cost, and expenses, including attorney fees, arising directly or indirectly out of the use, custody, control, or operation of the Cars, whether in contract, tort, strict liability in tort or otherwise but excluding any indemnity occasioned by the gross negligence or willful misconduct of Lessor or its assigns. In any personal injury action(s) arising from the operation of said Cars naming Lessor as a defendant, Lessee agrees if Lessor so requests, to undertake the defense and costs associated therewith immediately upon tender of said defense, including payment of any judgement directed against Lessor jointly or severally. Lessee also agrees to pay and indemnify Lessor from any and all penalties, fines, and levies arising from the operation of said Cars under this Agreement. Lessee's obligations hereunder shall survive the termination of this Agreement.

12. Assignment: Lessee shall be entitled to the possession and use of the Cars and shall permit the possession and use by others in the normal course of Lessee's business in accordance with the terms of this Agreement. Except as herein provided, Lessee will not assign, transfer, encumber or otherwise dispose of this lease, the Cars or any part thereof, or sublet any Car without the prior written consent of Lessor. Lessee will not permit or suffer any encumbrances or liens to be entered or levied upon any Car, other than such as may arise by, through, or under Lessor or any assignee of Lessor's rights hereunder.

- (b) Notices from Lessee to Lessor shall be sent to:

Chemical Bank
 277 Park Avenue
 10th Floor
 New York, N. Y. 10172
 Attention: Manager Specialized Leasing Group

16. Liability Insurance: Lessee shall procure at its own expense, and keep in effect during the term hereof, public liability insurance in the amount of five million dollars.

17. Execution: This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract. This Agreement may be signed in separate counterparts as long as each party hereto shall have signed at least one counterpart.

18. Governing Law: This Agreement shall be governed by New York law.

19. Amendments: There shall be no amendments to this Agreement without the consent of the Lessor and Lessee.

20. Late Charges: Delinquent payments shall bear interest at the rate of 1.50% per month, if not prohibited by law, otherwise at the highest lawful contract rate.

21. Purchase Option: The Lessor shall extend to the Lessee a purchase option at the expiration of this Lease in the amount of \$6,600.00 per Car on all but not less than all of the ninety-nine (99) Cars described in Exhibit A so long as the Lessee is not in default under this Lease and the monthly Lease Charges paid to the Lessor relating to all but not less than all of the ninety-nine (99) Cars described in Exhibit A shall have been \$275.00 per Car per month for a term of seventy-two (72) months.

22. Fair Market Value Renewal Option: Lessee has a Fair Market Value lease Renewal option on the ninety-nine (99) Cars described in Exhibit A so long as Lessee is not in default under this Lease. If Lessee and Lessor can not agree upon a Fair Market Value Renewal rental rate, a third party arbitrator will be retained at the cost of Lessee. The third party arbitrator will be mutually agreeable to both the Lessor and Lessee.

EXHIBIT A

to the
 Railcar Lease Agreement
 dated as of January 1, 1989
 between
 Chemical Bank Corporation
 and
 The Detroit Edison Company

<u>Description</u>	<u>No. of Cars</u>	<u>Lease Term</u>	<u>Lease Charges</u>	<u>Car Markings</u>
125 Ton 5160 cubic foot, aluminum bodied, steel underframe high side rotary dump gondola cars	99	seventy-two (72) months	\$275.00 per car per month	DEEX 1081 2142 1083 2146 1086 2148- 1088 2153 1091-94 3076 1096-98 3078 1100-02 3081- 1109-10 3085- 1112 3093 1116 3096- 1118-19 3104 1121 3108- 1126-27 3111- 1130-32 3117 1135-37 3120 1142-43 3123 1145 3125- 1148-49 3128 1151 3130 1153 3134 2084 3135 2086-87 3136 2089 3139 2092-93 2095 2097 2100 2105 2107-08 2110-13 2118-19 2125-27 2133 2135-37 2139-40

EXHIBIT B

to the
 Railcar Lease Agreement
 dated as of January 1, 1989
 between
 Chemical Bank Corporation
 and
 The Detroit Edison Company

CAUSALTY VALUE SCHEDULE

LEASE TERM PERIOD (MONTHS)	VALUE PER UNIT (\$)
0	19,800.00
1	19,616.67
2	19,433.33
3	19,250.00
4	19,066.67
5	18,883.33
6	18,700.00
7	18,516.67
8	18,333.33
9	18,150.00
10	17,966.67
11	17,783.33
12	17,600.00
13	17,416.67
14	17,233.33
15	17,050.00
16	16,866.67
17	16,683.33
18	16,500.00
19	16,316.67
20	16,133.33
21	15,950.00
22	15,766.67
23	15,583.33
24	15,400.00
25	15,216.67
26	15,033.33
27	14,850.00
28	14,666.67
29	14,483.33
30	14,300.00
31	14,116.67
32	13,933.33
33	13,750.00
34	13,566.67
35	13,383.33
36	13,200.00
37	13,016.67
38	12,833.33
39	12,650.00
40	12,466.67
41	12,283.33
42	12,100.00

EXHIBIT B (cont.)

to the
 Railcar Lease Agreement
 dated as of January 1, 1989
 between
 Chemical Bank Corporation
 and
 The Detroit Edison Company

CAUSALTY VALUE SCHEDULE

LEASE TERM PERIOD (MONTHS)	VALUE PER UNIT (\$)
44	11,733.33
45	11,550.00
46	11,366.67
47	11,183.33
48	11,000.00
49	10,816.67
50	10,633.33
51	10,450.00
52	10,266.67
53	10,083.33
54	9,900.00
55	9,716.67
56	9,533.33
57	9,350.00
58	9,166.67
59	8,983.33
60	8,800.00
61	8,616.67
62	8,433.33
63	8,250.00
64	8,066.67
65	7,883.33
66	7,700.00
67	7,516.67
68	7,333.33
69	7,150.00
70	6,966.67
71	6,783.33
72	6,600.00

STATE OF New York)
COUNTY OF New York) SS

On this 20th day of May, 1991, before me personally appeared Kathryn K. Briger, to me personally known, who, being by me duly sworn, says that (s)he is a Vice President of Chemical Bank, that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Katherine A. Halliday
Notary Public

My commission expires 6/15/91.

KATHERINE A. HALLIDAY
Notary Public, State of New York
No. 01HA-4898534
Qualified in Westchester County
Certificate Filed in New York County
Commission Expires June 15, 1991



STATE OF MICHIGAN)
) SS
COUNTY OF Wayne)

On this 29th day of December, 1988, before me personally appeared E. L. Grove, Jr., to me personally known, who, being by me duly sworn, says that he is Vice Chairman of the Board of The Detroit Edison Company that the foregoing instrument was 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.

Janet A. Sullivan
Notary Public

My commission expires 7-31-89.