

## CORPORATE REAL ESTATE SERVICES

Project No.:MW1307

Property Name: Enrico Fermi

West Corridor

Date:

June 1, 1997

To:

Jocelyn C. McKeldin

Records Center

From:

Tom Wilsonプレ

Subject:

License (Permit) to encroach on Detroit Edison Land

Attached are papers related to the Private Rail Siding Agreement, dated December 30, 1996, between Detroit Edison and Grand Trunk Western Railroad Incorporated, to allow Grand Trunk to use Edison land for the encroachment of their tracks and related equipment needed in order to provide rail service to Edison. The agreement affects land in Sections 14, 13, 18 and 17 and Private Claims 531, 530 and 529, Frenchtown Township, Monroe County, Michigan.

The area of the new Siding agreement is the same area as the "Easement Grant" dated December 27, 1956 to D & TSL, in record center file 1011-1. The December 30, 1996 agreement required Edison to purchase the existing tracks and related equipment from Grand Trunk for \$130,000.00 and requires annual payments of \$1,435.00 to Grand Trunk, for rental for and maintenance of the remaining personal property, which still will be owned by Grand Trunk and used to service Edison. The one time payment was charged and the annual payments will be charged to MIK User = N0081, Source = C0090, Standard Activity = 001465, Resource = 050 and subproject = FB50810004.

The December 30, 1996 Agreement cancels and supersedes the agreement to the Detroit and Toledo Shore Line Railroad Company, dated June 4, 1958, in the "Side Track Agreements, Enrico Fermi Power Plant" General File.

Please incorporate these papers into Record Center File 1011-1 and cross reference files 1011-1a, 1011-1c, 1011-1d, 1011-1g, 1011-1h, 1011-1I, 1011-1j, 1011-1k, 1011-1L, 1011-1m and 1011-1o.

# Attachments

cc: J.E. Allen

D.E. Emmerich

F.B. Hall

A.L. Heitsch

B.H. Lemieux

J.E. Williams

### PRIVATE RAIL SIDING AGREEMENT

#### NO. IA-8159

THIS AGREEMENT effective this 3074 day of December, in the year 1996, by and between GRAND TRUNK WESTERN RAILROAD INCORPORATED, hereinafter called "Grand Trunk," and DETROIT EDISON COMPANY, hereinafter called "the Industry."

WHEREAS, the Industry desires rail service over a rail siding ("Siding") on its premises, and Grand Trunk is willing to provide such service upon the following terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants herein contained the parties hereto agree as follows:

## LOCATION & OWNERSHIP.

- (A) The Siding is 23,009 feet in length (being 403 feet on and 22,606 feet outside of the property of Grand Trunk) at or near M.P. 22.50, Shore Line Subdivision, City of Monroe, County of Monroe, State of Michigan, the position of the Siding being shown colored in red and yellow line on plan number C-198 dated January 31, 1957, revised August 20, 1957, attached hereto and made a part hereof.
- (B) It is agreed that Grand Trunk owns the 180 feet of Siding shown in red and that the Industry owns the 22,829 feet of Siding shown in yellow.
  - 2. TRACK AND SWITCH RENTAL, MAINTENANCE CHARGE & ADJUSTMENTS.
- (A) Industry agrees to pay to Grand Trunk annually in advance the sum of One Thousand Four Hundred Thirty-Five Dollars (\$1,435.00) for rental and maintenance of the trackage and switch material contained in the Siding which is owned by Grand Trunk.
- (B) The track and switch rental/maintenance charge as described in Clause 2(A) shall remain the same for the first five (5) year period of this agreement. Thereafter, Grand Trunk shall adjust the rental/maintenance charge every five (5) years utilizing the Association of American Railroads (AAR) Index and utilizing the calendar year of 1996 as the base year. The adjusted ("indexed") charge shall go into effect on the first year of each additional five (5) year term.
- 3. TRACK MAINTENANCE. The Siding shall be maintained (including removal of ice, snow, weeds and debris) and renewed to the satisfaction of Grand Trunk. The work shall be done and the costs thereof borne as follows:

Grand Trunk will maintain and repair the 180 feet of track shown in red. The Industry, at its own cost and expense, agrees to maintain and repair the balance of the Siding shown in yellow, 22,829 feet in length.

If the Siding is not maintained in a manner that would permit safe operation thereof, Grand Trunk may refuse to operate on it and cars shall be deemed to be constructively placed at the time they would otherwise have been placed on the Siding.

4. MAINTENANCE OF LOADING AND UNLOADING AREAS. The Industry shall, at its sole cost and expense, maintain loading and unloading areas adjacent to the Siding in a neat, clean and level condition. The Industry's maintenance shall include but not be limited to proper drainage, cleanup of spilled product and level walkways. Such maintenance, drainage and cleanup shall be to the satisfaction and approval of Grand Trunk's District Engineer.

If the loading and unloading areas are not maintained in a manner that would permit safe operations, Grand Trunk may refuse to operate on the Siding and cars shall be deemed to be constructively placed at the time they would otherwise have been placed on the Siding.

5. DELIVERY. It is agreed that once a car consigned to the Industry is placed on the Siding the car and its contents shall be deemed to be delivered and the Industry assumes full responsibility for all loss or damage to the car and its contents which occurs while the car is on the Siding or otherwise in the custody of the Industry.

In the event that conditions are such that the movement of railroad locomotives and equipment over the Siding is extra hazardous, Industry shall, at its own expense, install a car mover of sufficient capacity to place cars beyond such point as determined by Grand Trunk. Industry shall be responsible for moving cars beyond such point, and for returning cars back to such point as determined by Grand Trunk.

6. CLEARANCES. The Industry shall keep the Siding clear of obstructions and shall not place or allow any temporary or permanent structure or other obstruction of any kind within the space of eight feet, six inches (8'6") from the centerline of said track(s), or within the space of twenty-two feet, six inches (22'6") above the top of rail of said track(s).

If clearances less than those set forth in the preceding sentence currently exist or are created in the future, the Industry shall, at its sole expense, petition the state regulatory body with jurisdiction over the matter of close clearances for an exemption for the less than standard clearances.

In the event of non-standard clearance, the Industry, at its own expense, agrees to install and thereafter maintain and renew standard non-clearance warning signs in the location designated on the attached plan, or whatever and whenever required by the

District Engineer of Grand Trunk, by state or federal statute or by any regulatory agency rules and/or regulations.

7. INDEMNITY. The Industry shall indemnify and hold harmless Grand Trunk from any and all liability for loss of life, or damage or injury to property or persons (including employees of either of the parties hereto), arising by reason of, or which in any way results from the erection of structures or obstructions at clearances less than standard, regardless of the negligence of the parties hereto, and regardless of approval of less than standard clearances by any public regulatory body.

It is understood that the movement of railroad locomotives involves some risk of fire, and the Industry assumes all responsibility for and agrees to indemnify Grand Trunk against loss or damage to property of the Industry or to property upon its premises, regardless of negligence of Grand Trunk, or any of its employees, arising from fire caused by locomotives operated by Grand Trunk on the Siding or in its vicinity for the purpose of serving the Industry except to the premises of Grand Trunk and to rolling stock belonging to Grand Trunk or to others and to shipments in the course of transportation.

In any other event, Industry agrees to indemnify and hold harmless Grand Trunk for loss, damage or injury arising out of or as a result of any grading or drainage work and ownership, use and/or maintenance of the Siding, regardless of the negligence of the parties hereto, except where such loss, damage or injury is caused by the negligence of Grand Trunk, its employees or agents.

In case claim is made or suit is instituted against Grand Trunk for any loss, damage or injury for which Industry has herein agreed to indemnify and hold harmless Grand Trunk, Industry agrees that it shall, upon notice from Grand Trunk, settle, adjust or defend the same at its sole cost and expense, and without expense to Grand Trunk and shall pay any judgment rendered therein together with costs of court.

It is agreed that in the event of any conflict between indemnity provisions of this agreement and any lease between the parties in respect to the land on which the Siding is laid, the indemnity clause of this agreement shall take precedence.

8. INSURANCE. The Industry shall maintain a policy of insurance with coverage of not less than Two Million Dollars (\$2,000,000) covering any and all liabilities which may be incurred by the Industry under the provisions of this agreement. Industry shall furnish to Grand Trunk a certified copy of the insurance policy and certificates of coverage. Said insurance policy shall show Grand Trunk as an additional insured party thereunder and the insurer shall agree not to commence or maintain any subrogated action against Grand Trunk for any loss recoverable under said policy. Said policy shall contain the following endorsement:

"It is understood and agreed that this policy is extended to cover the liability of the Industry assumed under IA-8159 effective <u>December 30, 1996</u>, with Grand Trunk Western Railroad Incorporated. This endorsement shall not exclude work done with the Grand Trunk Western Railroad Incorporated's right-of-way and/or property."

It is agreed that the furnishing of this insurance shall not be deemed to be a limitation of the liability of the Industry as provided for in this agreement but shall be deemed additional security to Grand Trunk. Grand Trunk reserves the right to change these insurance requirements to reflect changes in laws, claims and accident experiences.

- 9. DOORS AND GATES. The Industry agrees, at its own cost and expense, to equip and thereafter maintain any gates and/or doors across the Siding with suitable fasteners for holding same open, so as to maintain the clearances provided for in Section 6 hereof, during switching operations. Further, it shall be the duty of the Industry's employees to open and close said gates and/or doors to permit switching operations by Grand Trunk, but in the absence of the Industry's employees such work may be performed by Grand Trunk's employees who shall be deemed to be the Industry's employees for that purpose.
- 10. ADDITIONS OR EXTENSIONS. All extensions to the Siding shall be governed by the terms of this agreement unless otherwise agreed in writing by the parties.
- 11. USE BY GRAND TRUNK. Grand Trunk may use the Siding, without cost to it, for general railroad purposes, and expressly reserves the right to connect the Siding with other tracks for its own use or that of third parties, provided said use and connections shall not interfere with the reasonable use of the Siding for the business of the Industry. In the event of such use to serve other patrons of Grand Trunk, or as a connection with other tracks owned or used by Grand Trunk, there shall be an adjustment in the Industry's expense of maintenance between the Industry and such other patron or patrons.
- 12. SWITCHING & CAR PLACEMENT. It is agreed that Grand Trunk may move cars placed for the Industry when, in the opinion of Grand Trunk, it is desirable or necessary in order to make switches of other cars for other parties who are located beyond the Siding.

It is also agreed that all cars shall be considered as placed and detained by the Industry, and subject to the car service rules effective at that time, although said cars may have been temporarily removed in accordance with the terms of this Section 12.

13. ASSIGNMENT. No assignment or transfer of any rights or privileges by the Industry shall be valid unless the consent of Grand Trunk is obtained in writing. The Industry may, upon receipt of Grand Trunk's consent in writing, permit the use of the Siding by other parties, the rates or charges for such use to be agreed between the Industry, and such other parties, subject to the approval of Grand Trunk. The Arrangement entered into

must not be inconsistent with the terms of this agreement; provided, however, that insofar as the responsibility of the Industry to Grand Trunk under the terms of this agreement is concerned, the traffic of such other parties shall be considered as the traffic of the Industry.

- 14. TENANTS. It is agreed that if the Industry does not itself originate or take delivery of all the cars over the Siding that the Siding may be used by the tenant(s) of the Industry. The Industry agrees with Grand Trunk that it will cause each and all of said tenant(s) in securing or using Grand Trunk service over the Siding to do so under and subject to the terms of this agreement. The Industry further agrees that insofar as the responsibility of the Industry to indemnify Grand Trunk under the terms of this agreement is concerned the traffic, property, employees and agents of its tenant(s) shall be considered the traffic, property, employees and agents of the Industry.
- 15. GRAND TRUNK REGULATIONS. The Industry shall observe and obey all of the regulations of Grand Trunk regarding the use of the Siding and switches.

All transportation services provided by Grand Trunk shall be subject to and governed by applicable tariffs, state and federal laws. Industry agrees to pay all charges accruing thereunder in full, and within the time limits provided for therein.

- 16. INTERVENING TRACK. It is further agreed that if the Siding does not connect directly with Grand Trunk's main line, that the operation of the Siding is contingent upon the continued operation and maintenance of the intervening track located between the Siding and the main line of Grand Trunk.
- 17. TAXES, CROSSING AUTHORITY, ETC. The Industry shall, at its cost, procure and at all times keep in effect all necessary and proper authority for the construction, maintenance and use of the Siding in accordance with the terms of this agreement, upon, along and across all highways, streets, roads or lanes, present or future, and at all times make and maintain all crossings and approaches at all such highways, streets, roads or lanes. Further, the Industry shall pay, and hold Grand Trunk harmless from all taxes of whatever kinds or nature (including those payable in respect of drainage or for local improvements) which will be assessed or levied by any authority, or for any purpose upon the lands used and occupied by and for the right-of-way.
- 18. ALTER SIDING. The Grand Trunk shall be at liberty to alter the position of the Siding if necessary for its purposes.
- 19. ADVERSE POSSESSION. It is expressly agreed that the Industry shall have no claim of adverse possession to the property or land of Grand Trunk on which the Siding is now laid or may hereafter be laid.
- 20. TERM. This agreement shall continue for one (1) year from the date hereof and thereafter from year to year, provided that either party may at any time terminate this

agreement on two (2) calendar months' notice in writing to the other, such notice may be given by Grand Trunk by mailing the same to the Industry in a registered or certified letter, addressed to the Industry at 2000 Second Avenue, Detroit, MI 48226 and such notice to Grand Trunk is to be given by the Industry by mailing the same in a registered or certified letter, addressed to Grand Trunk's Director, U.S. Properties, at 1333 Brewery Park Boulevard, Detroit, Michigan 48207-2699.

- 21. TERMINATION. On the termination of this agreement, or if there should be any default in the performance of any of the covenants or obligations hereby imposed upon the Industry, Grand Trunk shall have the right without previous notice to the Industry, to take up all the rails, switches, frogs, fastenings, signals, and iron or steel and all other materials and property belonging to Grand Trunk.
- 22. HEIRS AND SUCCESSORS. The provisions of this agreement shall bind and inure to the benefit of the heirs and successors of the parties except as specifically excluded in this agreement.
- 23. HEADINGS. It is understood and agreed that the section headings are for convenience only and form no part of this agreement.
- 24. INSPECTIONS. Grand Trunk Employees are hereby authorized by Industry to enter the Industry's premises at any time for purposes of inspecting the Siding and for any other reason related to rail operations, inspections and/or safety.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed, in duplicate, by their duly authorized representatives as the day and year first above written.

GRAND TRUNK WESTERN RAILROAD INCORPORATE	D
a Delaware corporation	
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Witness to Grand Trunk's Signature

Its - Director, U.S. Properties

DETROIT EDISON COMPANY

Witness to Industry's Signature
THOMAS WILSON

Pau! W. Potter, Director – Corporate Real Estate

G.T.W. APPROVALS

IND. DEV. DEPT.

CHIEF ENGR.

LEGAL DEPT.

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By

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APPROVED AS TO FORM 3/18/97 DA

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Thomas J. Faucett Director Environmental and Asset Management

Canadian National 1333 Brewery Park Blvd. Detroit, MI 48207 Telephone: (313) 396-6307 -Facsimile: (313) 396-6089

November 19, 1996

Our File No.: DTSL-34

Mr. Thomas Wilson
Real Estate Associate II
Corporate Real Estate Services
Detroit Edison
2000 Second Avenue, Room 2310 WCB
Detroit, MI 48226-1279

Re: Trackage Serving Detroit Edison Fermi Nuclear Plant

Dear Mr. Wilson:

Please consider this as CN/GTW's acceptance of your November 8, 1996 proposal for purchase of 3+ miles of trackage leading to the Fermi Nuclear Plant for \$130,000.

Upon receipt of Edison's check in the amount of \$130,000, we will provide Edison with a new Private Rail Siding Agreement. This Agreement will reflect the new track ownership, split in track maintenance responsibility and annual track rental/maintenance fee of \$1,435, covering CN/GTW remaining ownership in the siding.

We appreciate Edison's cooperation in resolving this matter and look forward to completion of the transaction

Yours very truly.

T.J. Faucett

Director Environmental and

Asset Management

/ps

cc: G. M. Lawless

# Detroit **Edison**

Date:

March 18, 1996

To:

T. Wilson

Associates Real Estate

Corporate Real Estate Services

From:

J. Williams Acco

Railroad & Vehicle Specialist ESO/Architecture & Civil

Reference:

Request for New Lease on Edison / Grand Trunk property

Subject:

Fermi / Grand Trunk side track inspection

As per your request, an inspection was made on the 3.1 miles of railroad track that leads from the Security Gate at Fermi west to the main line of the CN/GTW Railroad.

The track was in good overall condition. The following is a list of maintenance items that will need to be corrected in the future.

- 1. Two joints need bolts replaced.
- 2. Replace 2,000 Ties.
- 3. Replace flangeway timbers at the Williams Road crossing.
- 4. Clean the flangeways at all the crossings.
- 5. Surface and tamp two pumping areas between the plant and Dixie Hwy.

All of these items are routine railroad maintenance. The two pumping areas should be addressed before any rail cars are moved in or out. The flangeways and other work can be completed at the same time. The tie replacement could be completed over a two year period.

Estimated costs are:

Material

\$ 49,000.00

3 - Weeks

Labor

30,000.00

\$ 79,000.00

If you were to build the 3.1 miles of track on the existing track bed, it would cost approximately \$ 982,000.00.

960XX.EXTENSION



Name March 18, 1996 Page 2

If you have any questions please call me on extension 235-5084.

Approved by:

W. Street

**Engineering Support Leader** 

Architecture & Civi

**Engineering Support Organization** 

cc: B. Lemieux

J. Mohler



January 4, 1996

Our File: DTSL-34

Mr. Tom Wilson Real Estate Associate The Detroit Edison Company 200 Second Avenue Room 2310 WCB Detroit, MI 48226

Dear Mr. Wilson:

CN/GTW is in the process of reviewing our Private Rail Siding Agreements between the Railroad and Industry. Certain changes to our standard agreement are necessary to ensure continued maintenance of that portion of the rail siding on Railroad property. We have also added an insurance liability clause to cover incurred liabilities associated with the use of this rail siding.

We are initiating a rental of asset and maintenance charge for Railroad owned material on GTW property. This rental charge will be invoiced once per year on the effective date of your Private Rail Siding Agreement and will include provisions for adjustments in accordance with the latest price index of siding materials as published by the Association of American Railroads. The intent of this nominal rental/maintenance charge is to offset a portion of the Railroad's high cost for material replacement, maintenance and inspection of the rail siding switches and track material.

Although we've searched our records, we haven't been able to locate a Sidetrack Agreement covering the lead track serving Edison's Fermi Nuclear Plant, north of Monroe, MI. From the attached plan however, you'll note Grand Trunk owns 16,407 feet of track, from the point of switch in its main track, to the westerly line of Toll Road. The lead track was constructed on an easement Edison granted the former Detroit and Toledo Shore Line Railroad Company in 1956.

As we begin preparation of a Siding Agreement, we need to know how Edison wants to structure the track rental/maintenance fee. Three possible options are as follows:

1. If Grand Trunk continues to assume full maintenance responsibility for the entire 16,407 feet of track it owns, Edison's track rental/maintenance fee will be \$82,570 per annum.

Mr. Tom Wilson January 4, 1996 Page 2

- 2. If Grand Trunk maintains only the first 180 feet of track, point of switch to clearance point and Edison assumes maintenance responsibility for 16,227 feet of track, clearance point to the westerly line of Toll Road, the fee will be \$50,116 per annum.
- 3. Edison can purchase the 16,227 feet of lead track from clearance point to the westerly line of Toll Road for \$167,300. Edison's track rental/maintenance fee would then be \$1,435 per annum.

Since this track receives little/no use, a fourth possible option would be to retire the track and remove it.

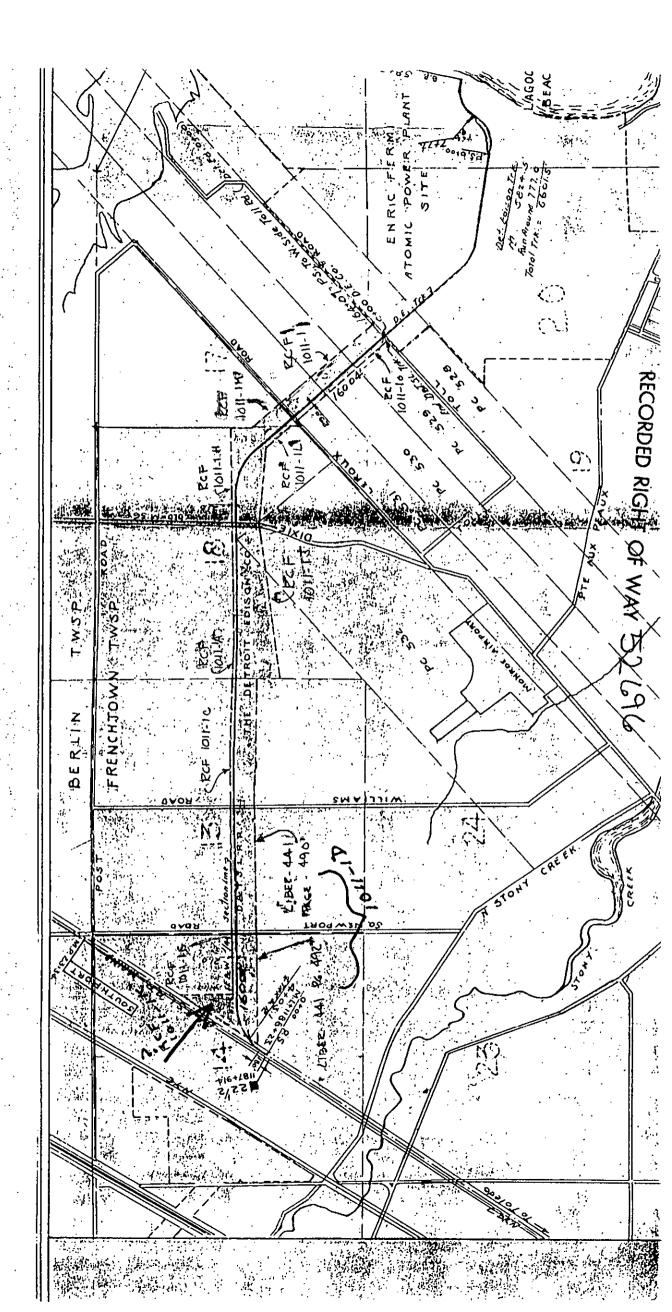
Please review the various options advising how Edison would like to proceed. Should you have questions on this matter, please feel free to call me at (313) 396-6307 or Chuck Tucker at (313) 396-6136.

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T. J. Faucett

Director, U.S. Properties



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