

12810-B
REGISTRATION NO. 12810-B Filed 3425

JUN 17 1986 - 1 31 PM

WILMER, CUTLER & PICKERING

1666 K STREET, N. W.
WASHINGTON, D. C. 20006

INTERSTATE COMMERCE COMMISSION

ALLEN H. HARRISON, JR.

DIRECT LINE (202)

872-6093

6-168A070

No.

Date JUN 17 1986

Fee \$ 20.00

ICC Washington, D.C.

INTERNATIONAL TELE: 440 239 WCPI UI
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TELEPHONE 202 672-6000

12810-C
Filed 1425

EUROPEAN OFFICE
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JUN 17 1986 - 1 25 PM

June 17, 1986

INTERSTATE COMMERCE COMMISSION

\$ 20.00 filing fee

Dear Ms. McGee:

On behalf of Hoosier Energy Rural Electric Cooperative, Inc. I submit for filing and recording under 49 U.S.C. Section 11303(a) and the regulations promulgated thereunder, three enclosed executed counterparts each of two secondary documents, not previously recorded, entitled (i) Trust Indenture and Security Agreement Amendment and Supplement No. 1, and (ii) Equipment Lease Agreement Amendment and Supplement No. 1, both dated as of April 1, 1986. The two aforesaid Amendments relate respectively to (i) that certain Trust Indenture and Security Agreement and (ii) that certain Equipment Lease Agreement, both dated as of January 1, 1981, and both filed with the ICC January 27, 1981, under Recordation Nos. 12810 and 12810-A, respectively. The two aforesaid Amendments should be filed under the next available two letter designations under Recordation No. 12810 which we believe will be 12810-B and 12810-C, respectively.

The parties to the said Trust Indenture and Security Agreement Amendment and Supplement No. 1, to be recorded under Recordation No. 12810-B, are:

12810-B

The Connecticut Bank and Trust Company,
National Association - Trustee, Owner Trustee
One Constitution Plaza
Hartford, Connecticut 06115

Merchants National Bank & Trust Company of
Indianapolis - Security Trustee
One Merchants Plaza
Suite 200E
Indianapolis, Indiana 46255

100 OFFICE OF THE SECRETARY
JUN 17 1 20 PM '86
MOTOR OPERATING UNIT

The parties to the said Equipment Lease Agreement Amendment and Supplement No. 1, to be recorded under Recordation No. 12810-C, are:

12810-C

The Connecticut Bank and Trust Company,
National Association - as Trustee Lessor
One Constitution Plaza
Hartford, Connecticut 06115

Allen H. Harrison

Hoosier Energy Rural Electric Cooperative, Inc. -

Lessee

P. O. Box 908
North State Highway 37
Bloomington, Indiana 47402

The said Trust Indenture and Security Agreement Amendment and Supplement No. 1, among other things, provides for borrowing by the Owner Trustee and the issuance of Replacement Note.

The said Equipment Lease Agreement Amendment and Supplement No. 1, amends and supplements the Equipment Lease Agreement in connection with refinancing in order to induce Permanent Lender to purchase Replacement Note.

The equipment covered by the two Amendments being recorded hereunder is the same as covered in the two aforementioned prior recorded primary documents.

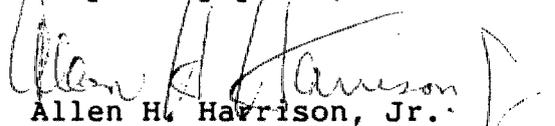
A short summary of the two Amendments to appear in the Index is as follows:

"Amends and supplements above related documents, same equipment covered."

Enclosed is a check in the amount of twenty dollars (\$20) in payment of the filing fees.

Once these filings have been made, please return to bearer the stamped counterparts of the two Amendments not required for filing purposes, together with the fee receipt, the letter from the ICC acknowledging the filings, and the two extra copies of this letter of transmittal.

Very truly yours,


Allen H. Harrison, Jr.
Attorney for Hoosier Energy
Rural Electric Cooperative,
Inc. for the purpose of
this filing

Honorable Noreta R. McGee
Acting Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Enclosures
AHH/iw

BY HAND

Interstate Commerce Commission

Washington, D.C. 20423

6/17/86

OFFICE OF THE SECRETARY

Allen H. Harrison, Jr.
Wilmer, Cutler & Pickering
1666 K. Street, N.W.
Washington, D.C. 20006

Dear Sir:

The enclosed documents(s) was recorded pursuant to the provision of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 6/17/86 at 1:25pm, and assigned recordation number(s). 12810-B & 12810-C

Sincerely yours,

Noreta R. McGee
Acting Secretary

12810-B
REGISTERED FILED 1986

JUN 17 1986 - 1 25 PM

INTERSTATE COMMERCE COMMISSION

TRUST INDENTURE AND SECURITY AGREEMENT
AMENDMENT AND SUPPLEMENT NO. 1

Dated as of April 1, 1986

between

THE CONNECTICUT BANK AND TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee, Owner Trustee

and

MERCHANTS NATIONAL BANK & TRUST COMPANY OF INDIANAPOLIS,
Security Trustee

HOOSIER ENERGY TRUST NO. 81-1

Filed and recorded with the
Interstate Commerce Commission
pursuant to 49 U.S.C. §11303 on
_____, 1986 at _____,
recordation number _____.

TRUST INDENTURE AND SECURITY AGREEMENT
AMENDMENT AND SUPPLEMENT NO. 1

This TRUST INDENTURE AND SECURITY AGREEMENT AMENDMENT and SUPPLEMENT NO. 1, dated as of April 1, 1986, between The Connecticut Bank and Trust Company, National Association, as trustee under the Trust Agreement dated as of January 1, 1981, as amended and supplemented, between New England Merchants Leasing Corporation B-7 (the "Owner") and said trustee and known as Hoosier Energy Trust No. 81-1 (herein, in its capacity as such trustee, being called the "Owner Trustee"), and Merchants National Bank & Trust Company of Indianapolis (the "Security Trustee"), under the Trust Indenture and Security Agreement dated as of January 1, 1981, between the Owner Trustee and the Security Trustee (such Trust Indenture and Security Agreement being herein called the "Indenture" and the terms defined therein being hereinafter used with the same meaning), which Indenture was filed and recorded with the Interstate Commerce Commission pursuant to 49 U.S.C. §11303 on January 27, 1981 at 9:45 a.m., recordation number 12810.

WHEREAS, The Owner, Hoosier Energy Rural Electric Cooperative, Inc. (the "Lessee"), Merchants National Bank & Trust Company of Indianapolis (the "Lender"), the Louisville Bank for Cooperatives (the "Permanent Lender") and the Security Trustee are parties to a Participation Agreement (the "Subsequent Participation Agreement") dated as of April 1, 1986 relating to the leveraged lease financing of certain gondola coal railroad cars which are leased to Lessee by Lessor under that certain Equipment Lease Agreement dated as of January 1, 1981 (herein, as the same has been or may be amended, modified or supplemented in accordance with the provisions thereof, called the Lease and the terms defined therein being hereinafter used with the same

meaning) which Lease was recorded with the Interstate Commerce Commission pursuant to 49 U.S.C. §11303 on January 27, 1981, at 9:45 a.m., recordation number 12810-A;

WHEREAS, in connection with such refinancing and in order to induce Permanent Lender to purchase the Replacement Note, Owner Trustee and Security Trustee desire to amend and supplement the Lease in certain respects.

NOW, THEREFORE, in consideration of the premises and other good and sufficient consideration, Owner Trustee and Security Trustee hereby agree as follows:

W I T N E S S E T H:

PRELIMINARY STATEMENT

The Owner Trustee deems it necessary to incur indebtedness by borrowing for its proper business purposes. The Owner Trustee proposes to issue its Replacement Notes described in Article IV hereof in an aggregate principal amount not to exceed \$2,472,876.00 in order to evidence indebtedness so incurred, and to confirm the Grant of the Trust Indenture Estate, hereinafter described, in order to secure payment of the Secured Notes, including the Replacement Notes. The Owner Trustee is duly authorized under the terms of a Trust Agreement, dated as of January 1, 1981, as amended and supplemented, between the Owner Trustee and the New England Merchants Leasing Corporation B-7, a Massachusetts corporation (the "Owner"), and under all applicable provisions of law to execute and deliver the Replacement Notes and this Indenture, as amended and supplemented, and to confirm the Grant of said Trust Indenture Estate to the Security Trustee, and all action required by law and all action on its part required therefor has been duly taken.

GRANTING CLAUSE

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS INDENTURE WITNESSETH: that the Owner Trustee, in consideration of the premises and the acceptance of the Secured Notes by the purchasers thereof, and for other good and valuable considerations, the receipt of which is hereby acknowledged, in order to secure the prompt payment of the principal of and interest on the Secured Notes, and in order to secure the performance by the Owner Trustee of the covenants contained herein and in the Secured Notes, as specifically Granted and by these presents does hereby specifically Grant for security purposes unto the Security Trustee and its successors in the trust hereby created and it assigns forever for the benefit and security of all present and future holders of the Secured Notes all of the following described property, whether tangible or intangible, wherever located or situated, whether now owned or hereafter acquired, together with the proceeds thereof (herein called the "Trust Indenture Estate"):

I. All its estate, right, title and interest in, to and under any and all of the following described property (but expressly excluding any amounts due under the Tax Indemnity and all other Excepted Rights (as hereinafter defined): (i) all of the property described on Schedule A attached hereto, as such Schedule may be amended or supplemented from time to time, together with all substitutions for, and all parts, instruments, accessories, alterations, modifications, replacements, additions and accessions to, the Equipment which are or may become the property of the Owner Trustee and together also with all rights of the Owner Trustee under, and all representations, warranties and covenants contained in, all Bills of Sale and other instruments transferring to the Owner Trustee title to the property described in this subclause (i); (ii) the Lease; (iii) the Purchase Order Assignment; (iv) amounts of Interim Rent, Basic

Rent, Supplemental Payments, insurance proceeds, condemnation awards or other payments or proceeds of any kind payable to the Owner Trustee pursuant to the Lease for or with respect to the Equipment; and (v) any and all payments or proceeds payable to the Owner Trustee after the end of the Term with respect to the Equipment as the result of the sale, lease or other disposition thereof; provided, that there are expressly retained by the Owner Trustee and the Owner and excluded from the Trust Indenture Estate, to the extent provided herein, the following described property and rights (hereinafter called "Excepted Rights"): (A) (x) all payments of any indemnity under Sections 7 or 13 of the Lease and any Special Rent pursuant to Section 3(d) of the Lease and (y) so long as, but only so long as no Default or Event of Default has occurred or is continuing, any repayment or interest thereon under Section 16 of the Lease, which by the terms of any of such Sections are payable to the Owner Trustee or the Owner for its own account; (B) all rights of the Owner Trustee or the Owner under the Lease to demand, collect, sue for or otherwise obtain all amounts from the Lessee due the Owner Trustee or the Owner on account of indemnities or payments excepted and reserved pursuant to clause (A) above, provided that the rights excepted and reserved by this paragraph (B) shall not be deemed to include the right to declare an Event of Default or to exercise any remedies provided for in Section 15 of the Lease except those contained in Section 15(f) thereof; and (C) any insurance proceeds payable under general public liability policies maintained by the Lessee pursuant to Section 12(b) of the Lease which by the terms of such policies or the terms of the lease are payable directly to the Owner Trustee or the Owner for its own account.

II. Any and all monies and other property (including each amendment or supplement to any and all instruments included in the Trust Indenture Estate) excluding any amounts due under the Tax Indemnity and Excepted Rights which may from time to time, by delivery to the Security Trustee or by any instrument,

including this Indenture, as amended and supplemented, be subjected to the lien hereof by the Owner Trustee or by anyone on its behalf or with its consent, or which may come into the possession or be subject to the control of the Security Trustee pursuant to this Indenture, as amended and supplemented, or pursuant to any instrument included in the Trust Indenture Estate; it being the intention of the Owner Trustee and the Security Trustee and it being hereby agreed by them that all property hereafter acquired by the Owner Trustee and required to be subjected to the lien of this Indenture, as amended and supplemented, or intended so to be shall forthwith upon the acquisition thereof by the Owner Trustee be as fully embraced within the lien of this Indenture, as amended and supplemented, as if such property were now owned by the Owner Trustee and were specifically described in this Indenture, as amended and supplemented, and Granted hereby or pursuant hereto; and the Security Trustee is hereby authorized to receive any and all such property as and for additional security for the payment of the Secured Notes and all other sums secured or intended to be secured hereby.

TO HAVE AND TO HOLD all and singular the Trust Indenture Estate, whether now owned or held or hereafter acquired, unto the Security Trustee, its successors and assigns, forever, in trust for the benefit and security of the holders from time to time of the Secured Notes, without any priority of any one Secured Note over any other, except as herein otherwise expressly provided, and for the uses and purposes, and subject to the terms and provisions, set forth in this Indenture.

It is expressly agreed that anything herein contained to the contrary notwithstanding, the Owner Trustee shall remain liable under the Assigned Documents to perform all of the obligations assumed by it thereunder all in accordance with and pursuant to the terms and provisions thereof, and the Security

Trustee shall have no obligation or liability under any of the Assigned Documents by reason of or arising out of the foregoing assignments, nor shall the Security Trustee be required or obligated in any manner, except as expressly provided herein, to perform or fulfill any obligations of the Owner Trustee under or pursuant to any of the Assigned Documents, or to make any payment, or to make any inquiry as to the nature or sufficiency of any payment received by either of them, or present or file any claim, or take any action to collect or enforce the payment of any amounts which may have been assigned to either of them or to which either of them may be entitled at any time or times.

Except with respect to Excepted Rights the Owner Trustee hereby constitutes the Security Trustee, the true and lawful attorney of the Owner Trustee, irrevocably, with full power (in the name of the Owner Trustee or otherwise) to ask, require, demand, receive, compound and give acquittance for any and all monies and claims for monies due and to become due under or arising out of any of the Assigned Documents, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Security Trustee may deem to be necessary or advisable in the premises.

1. Section 1 "Definitions" of the Lease is amended as follows:

A. By substituting for definitions set forth in the Lease, the following:

"Investor" means, in respect of things or matters occurring prior to the Closing Date each of the Owner and the Interim Lender and "Investors" means the Owner and the Interim Lender collectively, and "Investor" means, in respect of things or matters occurring on or

after the Closing Date, each of the Owner and the Permanent Lender and "Investors" means the Owner and the Permanent Lender collectively.

"Lender" shall mean each holder from time to time of a Secured Note or of Secured Notes and for periods prior to the Closing Date shall mean the Interim Lender, and for periods on and after the Closing Date shall mean the Permanent Lender, or if the context requires, the Interim Lender and the Permanent Lender.

"Subsequent Participation Agreement" shall mean the Participation Agreement, dated as of April 1, 1986, among the Lessee, the Owner, the Owner Trustee, the Interim Lender, the Permanent Lender and the Security Trustee, as the same may from time to time be supplemented or amended, or the terms thereof waived or modified to the extent permitted thereby, and in accordance with, the terms thereof.

B. By adding to the definitions set forth in the Lease, the following:

"Closing Date" means the Closing Date set forth in Subsequent Participation Agreement.

"Interim Lender" shall mean the entity listed in Schedule A to the Participation Agreement, its respective successors and assigns.

"Permanent Lender" shall mean the Louisville Bank for Cooperatives, its successors and assigns.

2. Article III, "Escrow Fund; Payments from Escrow Agreement with respect to Equipment," is hereby canceled and annulled.

3. Article IV, "Replacement Notes," is amended and supplemented by adding at the end thereof the following:

"SECTION 4.04. Form of Replacement Fixed Rate Notes

(a) The Replacement Notes shall each be substantially in the form set forth below:

[FORM OF REPLACEMENT NOTE]

REGISTERED NO.

THE CONNECTICUT BANK AND TRUST COMPANY, NATIONAL ASSOCIATION,
AS TRUSTEE UNDER TRUST AGREEMENT DATED AS OF JANUARY 1, 1981

FIXED RATE NOTE DUE 1999

(HOOSIER ENERGY TRUST NO. 81-1)

The Connecticut Bank and Trust Company, National Association, a national banking association, not individually but solely as trustee (the "Owner Trustee") under that certain Trust Agreement dated as of January 1, 1981 (the "Trust Agreement") between the "Owner" referred to therein and the Owner Trustee, hereby promises to pay to _____, or registered assigns, (i) the principal sum of _____ Dollars (\$ _____), together with interest on the unpaid balance thereof from the date of this Fixed Rate Note until paid at the rate of 10.35% per annum. With respect to overdue principal and overdue interest, interest shall, to the extent permitted by law, be paid at such higher rate as is equal to one percentum (1%) per annum in excess of the

rate otherwise payable in respect hereof on any part of the principal hereof or interest hereon not paid when due for any period during which the same shall be overdue, payable on demand. All payments of interest hereon shall be computed on the basis of the actual days elapsed and a 365-day year.

Principal and interest hereon are payable in arrears on the first day of April and the first day of October in each year, commencing October 1, 1986, and ending April 1, 1999, in twenty-six (26) consecutive semiannual installments of principal and interest, each payment on account of principal in the percentage of the original principal amount, after deducting any prepayments pursuant to Section 6.02 of the Indenture (as defined below) as provided in Section 4.05 thereof, of this Fixed Rate Note as set forth below:

<u>Payment Date</u>	<u>Percentage</u>	<u>Payment Date</u>	<u>Percentage</u>
October 1, 1986	1.299496	April 1, 1993	3.429253
April 1, 1987	1.400207	October 1, 1993	3.695020
October 1, 1987	1.508723	April 1, 1994	3.981385
April 1, 1988	1.625649	October 1, 1994	4.289942
October 1, 1988	1.751636	April 1, 1995	4.622412
April 1, 1989	1.887389	October 1, 1995	4.980649
October 1, 1989	2.033661	April 1, 1996	5.366649
April 1, 1990	2.191270	October 1, 1996	5.782565
October 1, 1990	2.361093	April 1, 1997	6.230714
April 1, 1991	2.544078	October 1, 1997	6.713594
October 1, 1991	2.741244	April 1, 1998	7.233897
April 1, 1992	2.953690	October 1, 1998	7.794524
October 1, 1992	3.182602	April 1, 1999	8.398658

and each payment of interest computed for the period from October 1 to and including March 31, or the period from April 1 to and including September 30, as the case may be, provided that

the first such interest installment shall be for the period from the initial date of issuance of the Fixed Rate Notes to and including September 30, 1986 and the last such installment shall be in an amount sufficient to discharge in full the accrued interest on, and unpaid principal of, this Fixed Rate Note.

All payments of principal and interest to be made by the Owner Trustee hereunder and under the Trust Indenture and Security Agreement dated as of January 1, 1981, as amended and supplemented, (herein called the "Indenture", the defined terms therein, not otherwise defined herein, being used herein with the same meanings), between the Owner Trustee and Merchants National Bank & Trust Company of Indianapolis, as Security Trustee thereunder, (herein referred to, with its successors and assigns, as the "Security Trustee"), shall be made only from the income and proceeds from the Trust Indenture Estate and only to the extent that the Security Trustee shall have sufficient income or proceeds from the Trust Indenture Estate of make such payments in accordance with the terms of Article VI or Article VIII of the Indenture; and each holder hereof, by its acceptance of this Fixed Rate Note, agrees that it will look solely to the income and proceeds from the Trust Indenture Estate to the extent available for distribution to the holder hereof as provided in the Indenture and that neither the Owner, nor any parent, subsidiary, affiliate, officer, director, shareholder or employee of the Owner, nor the Owner Trustee, nor the Security Trustee shall be personally liable to the holder hereof for any amounts payable under this Fixed Rate Note or the Indenture, or, except as provided in the Indenture with respect to the Owner Trustee or Security Trustee, or as provided in Section 8.03(b) of the Indenture with respect to the Owner, for any liability under the Indenture.

The Fixed Rate Notes are issuable only as registered Notes in the denominations of \$50,000 or any amount greater than \$50,000. As provided in the Indenture, and subject to certain limitations therein set forth, the transfer or exchange of this Fixed Rate Note may be registered on the register maintained therefor by the Security Trustee at its Corporate Trust Office.

The Owner Trustee and the Security Trustee may deem and treat the person in whose name this Fixed Rate Note shall have been issued and registered as the absolute owner and holder hereof for the purpose of receiving payment of all amounts payable by the Owner Trustee with respect to this Fixed Rate Note and for all other purposes, and neither the Owner Trustee nor the Security Trustee shall be affected by any notice to the contrary.

Each holder hereof by its acceptance of this Fixed Rate Note agrees that, except as otherwise provided in Article VIII of the Indenture, each payment received by it hereunder shall be applied, first, to the payment of accrued interest on this Fixed Rate Note to the date of such payment and second, to the payment of the principal amount of this Fixed Rate Note then due and third, the balance, if any, remaining thereafter, to the payment of the principal amount of this Fixed Rate Note and any prepayment charges.

This Fixed Rate Note is one of the Fixed Rate Notes referred to in the Indenture issued by the Owner Trustee pursuant to the terms of the Indenture.

Reference is hereby made to the Indenture for a statement of the rights of the holder of, and the nature and extent of the security for, this Fixed Rate Note and of the rights of the holders of, and the nature and extent of the security for, the other Fixed Rate Notes and of certain rights of the Owner, including the right to purchase the Fixed Rate Notes

as contemplated by Article VIII of the Indenture, as well as for a statement of the terms and conditions of the trusts created by the Indenture, to all of which terms and conditions each holder hereof agrees by its acceptance of this Fixed Rate Note.

This Fixed Rate Note is not subject to prepayment except as contemplated by Sections 6.02(f) and 6.03 and Articles VII and VIII of the Indenture. Each prepayment pursuant to Sections 6.02(f) or 6.03 shall be subject to the prepayment charge provided in the Indenture.

Upon the occurrence of an Event of Default under and as specified in the Indenture, the unpaid principal hereof and the interest accrued and unpaid thereon may, under certain circumstances specified in the Indenture, by declaration, become forthwith due and payable, which declaration may thereafter be rescinded under certain circumstances specified in the Indenture, by declaration.

Unless the certificate of authentication hereon has been executed by or on behalf of the Security Trustee by manual signature, this Fixed Rate Note shall not be entitled to any benefit under the Indenture, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Owner Trustee has caused this Fixed Rate Note to be executed in its corporate name by one of its authorized officers as of the date hereof.

Dated:

THE CONNECTICUT BANK AND TRUST
COMPANY, NATIONAL ASSOCIATION,
not individually but solely as
Trustee of Hoosier Energy
Trust No. 81-1

By: _____
Authorized Officer

[FORM OF SECURITY TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This is one of the Fixed Rate Notes referred to in the within mentioned Indenture.

MERCHANTS NATIONAL BANK & TRUST
COMPANY OF INDIANAPOLIS, as
Security Trustee

By: _____
Authorized Officer

SECTION 4.05. Terms of Replacement Fixed Rate Notes.

Upon receipt by the Security Trustee of funds of the type and in the amount to be loaned to the Owner Trustee by the Permanent Lender on the Closing Date and upon receipt by the Security Trustee from the Lessee of funds in payment of Basic Rent to be advanced by the Lessee on the Closing Date, in each case pursuant to Section 2 of the Subsequent Participation Agreement, such funds to be applied in repayment of the Floating Rate Notes then the Owner Trustee shall deliver to the Permanent Lender, and the Security Trustee shall authenticate, one duly executed Fixed Rate Note, dated such Closing Date, in aggregate amount equal to the amount so loaned by the Permanent Lender. The Fixed Rate Note so delivered to such Permanent Lender on such Closing Date shall be issued and registered in such name as the Permanent Lender or its special counsel may specify by written notice to the Owner Trustee at least two Business Days prior to such Closing Date and, in the absence of such specification, shall be registered in the name of the Permanent Lender. Subsequent Fixed Rate Notes may be issued in amounts of \$50,000 or any amount greater than \$50,000. The Fixed Rate Notes shall bear interest on the principal amount thereof from time to time outstanding from the date thereof until paid at the rate 10.35% per annum. Each Fixed Rate Note shall, to the extent permitted by law, bear interest (computed on the basis of actual days elapsed and a 365-day year) at such higher rate as is equal to one percentum (1%) per annum in excess of the rate otherwise payable in respect thereof on any part of the principal thereof or interest thereon not paid when due for any period during which the same shall be overdue. All payments of interest thereon shall be computed on the basis of actual days elapsed and a 365-day year.

The principal of and interest of each Fixed Rate Note shall be payable in arrears on the first day of April and the first day of October each year in 26 consecutive semiannual installments of principal and interest, each payment on account

of principal amount, after deducting any prepayments pursuant to Section 6.02 hereof as provided below, of such Fixed Rate Note as set forth below:

<u>Payment Date</u>	<u>Percentage</u>	<u>Payment Date</u>	<u>Percentage</u>
October 1, 1986	1.299496	April 1, 1993	3.429253
April 1, 1987	1.400207	October 1, 1993	3.695020
October 1, 1987	1.508723	April 1, 1994	3.981385
April 1, 1988	1.625649	October 1, 1994	4.289942
October 1, 1988	1.751636	April 1, 1995	4.622412
April 1, 1989	1.887389	October 1, 1995	4.980649
October 1, 1989	2.033661	April 1, 1996	5.366649
April 1, 1990	2.191270	October 1, 1996	5.782565
October 1, 1990	2.361093	April 1, 1997	6.230714
April 1, 1991	2.544078	October 1, 1997	6.713594
October 1, 1991	2.741244	April 1, 1998	7.233897
April 1, 1992	2.953690	October 1, 1998	7.794524
October 1, 1992	3.182602	April 1, 1999	8.398658

and each payment of interest computed for the period from October 1 to and including March 31, or the period from April 1 to and including September 30, as the case may be, except that the first such interest installment shall be for the period from the initial date of issuance of the Fixed Rate Notes to and including September 30, 1986, and the last such installment shall be in an amount sufficient to discharge the accrued interest on, and unpaid principal of, such Fixed Rate Notes. In determining the reduction in original principal amount hereunder in the event of a prepayment pursuant to Section 6.02 hereof, the original principal amount of each Fixed Rate Note shall be reduced by an amount equal to the product of multiplying the original principal amount of such Fixed Rate Note by the Section 6.02 Fraction as defined in such section. The holder of each Fixed Rate Note, by its acceptance thereof, agrees to note the amount of any such

reduction of the original principal amount of such Fixed Rate Note pursuant to this Section 4.05 on the face of such Fixed Rate Note before transferring the same, or to surrender such Fixed Rate Note for notation pursuant to Section 7.04 hereof.

The Fixed Rate Notes shall be limited in original aggregate principal amount to \$2,472,876."

4. Article VI, "Receipt, Distribution and Application of Income from the Trust Indenture Estate," is hereby amended and supplemented as follows:

A. Subsection (a) of Section 6.01, "Rent; Escrow Gains," is hereby cancelled and annulled.

B. Section 6.02 "Prepayments," is amended and supplemented as follows:

(i) Subsection (a) of Section 6.02 is hereby cancelled and annulled.

(ii) Subsection (b) of Section 6.02 is hereby cancelled and annulled.

(iii) Subsection (c) of Section 6.02 is hereby cancelled and annulled effective as of the Closing Date.

(iv) Subsection (d) of Section 6.02 is hereby cancelled and annulled.

(v) Subsection (e) of Section 6.02 is hereby cancelled and annulled.

(vi) Subsection (f) of Section 6.02 is hereby amended to read as follows:

"(f) If the Owner Trustee delivers to the Security Trustee (i) notice duly delivered by the Lessee to the Owner Trustee of an Event of Loss with respect to an Item of Equipment pursuant to Section 11 of the Lease, or (ii) notice duly delivered by the Lessee to the Owner Trustee of a termination of the Lease pursuant to Section 10 of the Lease, the Security Trustee shall cause to be prepaid, with the prepayment charges specified in Section 6.02(g) hereof, in accordance with and subject to the provisions of Article VII hereof, on (x) the date on which the Stipulated Loss Value or the Termination Value, as the case may be, for such Item of Equipment is to be paid to the Owner Trustee under the Lease, or (y) if any sale pursuant to the provisions thereof is made, the termination date specified in Section 10 of the Lease, Secured Notes in an aggregate principal amount equal to the product obtained by multiplying the principal amount of Secured Notes outstanding at the time of such prepayment by a fraction (the "Section 6.02 Fraction") the numerator of which shall be the Equipment Cost of the Item or Items of Equipment affected by such event and the denominator of which shall be the aggregate Equipment Cost of all Items of Equipment at such time (including the Item or Items of Equipment affected by such event). The amount paid to the Security Trustee under Section 11, or Section 10, as the case may be, of the Lease as (aa) the Stipulated Loss Value or the Termination Value, as the case may be, for an Item of Equipment (together with any amounts received by the Security Trustee under Section 11(b) or Section 12 of the Lease which are to be applied in reduction of Lessee's obligation to pay

such Stipulated Loss Value or Termination Value), or (bb) the amount payable to the Security Trustee under Section 10, as the case may be, shall be distributed in the following order of priority:

first, so much of such payment or other amounts as shall be required to prepay the Secured Notes to be prepaid, together with interest accrued on the principal amount prepaid to the date of prepayment and all prepayment charges, shall be applied to such prepayment on the date fixed for such prepayment (or as soon thereafter as the Secured Notes to be prepaid shall be surrendered to the Security Trustee in accordance with Section 7.04); and

second, subject to the provisions of Section 6.06 hereof, the balance, if any, of such payment or other amounts remaining after such prepayment or provision therefor shall be distributed on the date fixed for such prepayment to the Owner Trustee for payment to the Owner, provided that the Security Trustee shall make such payment directly to the Owner upon the written instructions of the Owner Trustee."

(viii) There is added to Section 6.02 after subsection (f) the following additional subsection (g):

"(g) In the event of any partial or whole prepayment of the principal indebtedness of the Secured Notes under Section 6.02(f) or Section 6.04 of this Indenture after the Closing Date the Lender may require the Owner Trustee to pay reasonable prepayment charges in accordance with

the Lender's procedures and policies in effect at that time including (a) reimbursement to Lender for all direct costs, expenses, and penalties or premiums related to the early redemption or other disposition of any debt instrument related to funding the principal indebtedness so prepaid, and/or (b) reimbursement for loss of anticipated margin where a specific debt instrument is not redeemed or otherwise disposed of, and/or (c) reimbursement of an amount equal to one-half of one percent (1/2 of 1%) of the face amount of the principal indebtedness so prepaid."

C. Section 6.04, "Application of Payments According to Lease Provisions," is amended to read as follows:

"SECTION 6.04. Application of Payments According to Lease Provisions. Except as otherwise provided in Sections 6.03 or 6.06 hereof, any payments received by the Security Trustee, provision for the application of which is made in the Lease or the Participation Agreement, shall be applied as provided in the Lease or the Participation Agreement, as the case may be, provided, however, that any prepayment of the Secured Notes shall be subject to the prepayment charges set forth in Section 6.02(g)."

5. Article VII, "Prepayment of Secured Notes," is hereby amended to read as follows:

"ARTICLE VII

PREPAYMENT OF SECURED NOTES

SECTION 7.01. Applicability of Article. Prepayment of Secured Notes, if required by any provision of Article VI, shall be made in accordance with such provisions and this Article VII.

SECTION 7.02. Selection of Secured Notes to Be Prepaid. If less than all of the outstanding Secured Notes are to be prepaid at any time, the Security Trustee shall select the Secured Notes or portions of Secured Notes to be prepaid in the following manner: the Security Trustee shall prorate the aggregate principal amount of Secured Notes to be prepaid among all holders of Secured Notes at the time outstanding in proportion (calculated to the nearest \$1) to the respective aggregate unpaid principal amounts of Secured Notes held by each holder and shall then, in its discretion, select for prepayment from the Secured Notes held by each holder specific Secured Notes or portions thereof. If any holder of two or more Secured Notes shall have so requested by written notice to the Security Trustee, any of such Secured Notes as shall have been specified by such holder in such notice shall be treated for purposes of this Section 7.02 as held by separate holders.

SECTION 7.03. Notice of Prepayment. Within 4 Business Days after its receipt of any of the notices with respect to events giving rise to prepayment of the Secured Notes referred to in Section 6.02(g), the Security Trustee shall give notice of prepayment to each holder of a Secured Note to be prepaid in whole or in part specifying the date of prepayment, which date shall be the date specified in such notice received by the Security Trustee. Such notices shall (i) specify the provisions of the Participation Agreement or this Indenture pursuant to which such prepayment is to be made and the aggregate amount of

such prepayment, (ii) if less than all outstanding Secured Notes are to be prepaid, specify the principal amount and number of each Secured Note to be prepaid, (iii) designate the date for such prepayment in accordance with this Section 7.03, and (iv) state that on said date there will become and be due and payable upon each such Secured Note, at the Corporate Trust Office of the Security Trustee, the amount of the principal thereof so specified, together with accrued interest on such specified principal amount to said date and any prepayment charges, if applicable, and that from and after said date interest on such specified amount shall cease to accrue. Such written notice or notices shall be given in the manner specified in Section 13.05 hereof.

SECTION 7.04. Notice of Prepayment Charges. Promptly after receipt of notice of any prepayment to which the prepayment charge provided in Section 6.02(g) is applicable, the Lender shall provide the Security Trustee, the Owner Trustee, the Owner and the Lessee with notice of the amount of the prepayment charge together with a statement of the manner in which it was calculated.

SECTION 7.05. Surrender of Secured Notes and Payment. If notice of prepayment shall have properly been given in accordance with Section 7.03, the Secured Notes (or specified portions thereof) designated for prepayment shall become due and payable on the date and at the place specified in said notice in accordance with Section 5.02 hereof, together with interest accrued on the principal amounts to be prepaid to the prepayment date and any applicable prepayment charges set forth in a notice from Lender. At the option of any Lender or any affiliate thereof, the Secured Note held by such Lender or affiliate shall not be required to be surrendered to entitle such Lender or affiliate to receive interest on or principal prepayment thereof. Upon presentation and surrender of any Secured Note to be prepaid

in part only, the Security Trustee will cause the Owner Trustee to note thereon, without charge to the holder thereof, the amount of such prepayment.

SECTION 7.06. Cessation of Interest. When any Secured Note or specified portion thereof shall have become due and payable as provided in Section 7.05 hereof, interest shall cease to accrue on such Secured Note or specified portion thereof on and after the due date upon receipt by the Security Trustee of immediately available funds to pay the full amount of principal and interest and prepayment charges payable on such Secured Note or specified portion thereof."

6. A. This Indenture Amendment may be executed in any number of counterparts, each counterpart constituting an original but all together one and the same instrument and contract.

B. The headings preceding the various sections hereof are for convenience of reference only and shall not be deemed to affect the meaning or construction hereof.

C. This Indenture Amendment shall be construed in connection with and as part of the Indenture, and all terms, conditions and covenants contained in the Indenture, except as herein modified, shall be and remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture Amendment to be duly executed, and the respective seals of such parties to be hereunto duly affixed, by their respective officers thereunto duly authorized, as of the day and year first above written.



THE CONNECTICUT BANK AND TRUST COMPANY, NATIONAL ASSOCIATION, as Owner Trustee

By: [Signature]
Its: ASSL. VICE PRESIDENT

MERCHANTS NATIONAL BANK & TRUST COMPANY OF INDIANAPOLIS, as Security Trustee

[CORPORATE SEAL]

By: [Signature]
Its: VICE PRESIDENT

ATTEST:

[Signature]

SCHEDULE A
to the Indenture

DESCRIPTION OF EQUIPMENT

<u>Quantity Numbers</u>	<u>Description</u>	<u>Serial Number or Numbers</u>
	Manufacturer: Ortner Freight Car Company	
103	100 ton Gondola Coal Cars	HECX80000 through HECX80102; inclusive

STATE OF CONNECTICUT)
) SS
COUNTY OF HARTFORD)

BEFORE ME, the undersigned authority, on this day personally appeared MASON M. LEMONT, a Asst. vice President of THE CONNECTICUT BANK AND TRUST COMPANY, NATIONAL ASSOCIATION, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the act and deed of said corporation, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 12th day of June, 1986.

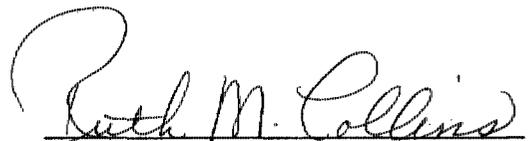


Earla Mae Sheppard
Notary Public
EARLA MAE SHEPPARD
NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31, 1989

STATE OF Indiana)
) SS
COUNTY OF Marion)

BEFORE ME, the undersigned authority, on this day personally appeared MARY Y. MARSH, a VICE PRESIDENT of THE CONNECTICUT BANK AND TRUST COMPANY, NATIONAL ASSOCIATION, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, as the act and deed of said corporation, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 13th day of June, 1986.



Notary Public RUTH M. COLLINS