

13050-C

REGISTRATION NO. 13050-C Filed 1425

LAW OFFICES
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WASHINGTON, D.C.
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JUL 5 1985 11:55 AM

OF COUNSEL
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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

ROBERT W. ALVORD*
CARL C. DAVIS*
CHARLES T. KAPPLER
JOHN H. DOYLE*
GEORGE JOHN KETO*
MILTON C. GRACE*
JAMES C. MARTIN, JR.*

*NOT A MEMBER OF D.C. BAR
*ALSO ADMITTED IN NEW YORK
*ALSO ADMITTED IN OHIO
*ALSO ADMITTED IN MARYLAND

July 5, 1985

BY HAND DELIVERY

Mr. James H. Bayne
Secretary
Interstate Commerce Commission
Washington, D.C.

No. 5-186A031
Date JUL 5 1985
Fee \$ 10.00
ICC Washington, D. C.

MOTOR OPERATING UNIT
JUL 5 11 44 AM '85
ICC OFFICE OF
THE SECRETARY

Dear Mr. Bayne:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. §11303(a) are the original and seven counterparts of a Third Amendment to Equipment Lease dated as of July 1, 1985, a "secondary document" as defined in the Commission's Rules for the Recordation of Documents.

The enclosed document amends an Equipment Lease dated as of April 1, 1981, which was duly filed and recorded at 2:50 p.m. on April 13, 1981 and assigned Recordation Number 13050.

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

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

- Lessor: The Connecticut Bank and Trust Company, National Association (Successor by merger to The Connecticut Bank and Trust Company) as Trustee under I.C.G. Trust No. 81-2 One Constitution Plaza Hartford, Connecticut 06115
- Lessee: Illinois Central Gulf Railroad Company Two Illinois Center Chicago, Illinois 60601

Counterpart: C.T. Kappler

Mr. James H. Bayne
Page Two
July 5, 1985

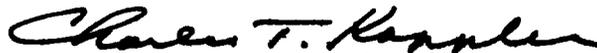
Kindly return the original and six counterparts of the enclosed document to Larry Elkins, Esq., Chapman and Cutler, 111 West Monroe Street, Chicago, Illinois, 60603.

Also enclosed is a check in the amount of \$10.00 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

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

Third Amendment to Equipment Lease dated as of July 1, 1985 amending an Equipment Lease dated as of April 1, 1981 between The Connecticut Bank and Trust Company, National Association, Lessor, and Illinois Central Gulf Railroad Company, Lessee, covering 13 rebuilt locomotives marked and numbered ICG 1465 through ICG 1477 and 300 open top hopper cars marked and numbered ICG 387200 through ICG 387499.

Very truly yours,



Charles T. Kappler
Attorney for the purpose of
this filing for:

The Connecticut Bank and Trust
Company, National Association

CTK/mlt
Enclosures

DESCRIPTION OF ITEMS OF EQUIPMENT

Description of New Items: 300 100-Ton Open Top Hopper Cars
Marked and Numbered ICG
387200 through ICG 387499,
inclusive

Description of Rebuilt Items: 13 Rebuilt SW-14 Diesel Electric
Locomotives Marked and Numbered
ICG 1465 through ICG 1477,
inclusive

Interstate Commerce Commission
Washington, D.C. 20423

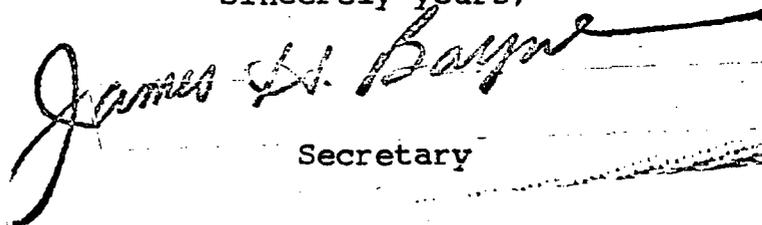
OFFICE OF THE SECRETARY

Charles T. Kappler
Alvord adn Alvord
200 World Center Building
918 Sixteenth Street, NW.
Washington, DC. 20006-2973

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on July 5, 1985 at 11:55 AM and assigned re-
recording number(s). 13050-C

Sincerely yours,


Secretary

Enclosure(s)

REGISTRATION NO. 13050-2 FILED 1423

JUL 5 1985 11 52 AM

INTERSTATE COMMERCE COMMISSION

THIRD AMENDMENT TO EQUIPMENT LEASE

Dated as of July 1, 1985

between

THE CONNECTICUT BANK AND TRUST COMPANY,
NATIONAL ASSOCIATION

(Successor by merger to The Connecticut Bank and
Trust Company) as Trustee under
I.C.G. Trust No. 81-2

LESSOR

and

ILLINOIS CENTRAL GULF RAILROAD COMPANY

LESSEE

(I.C.G. Trust No. 81-2: Fixed Rate Refinancing)
(13 Rebuilt Locomotives and
300 Open Top Hopper Cars)

THIRD AMENDMENT TO EQUIPMENT LEASE

THIS THIRD AMENDMENT TO EQUIPMENT LEASE dated as of July 1, 1985 is between The Connecticut Bank and Trust Company, National Association (successor by merger to The Connecticut Bank and Trust Company), not individually but solely as trustee (the "Lessor") under a Trust Agreement dated as of April 1, 1981, as amended (the "Trust Agreement") with IRFC Leasing 5 Corporation (the "Trustor") and Illinois Central Gulf Railroad Company, a Delaware corporation (the "Lessee").

R E C I T A L S:

A. The Lessor and the Lessee have heretofore executed and delivered an Equipment Lease dated as of April 1, 1981 and a First Amendment thereto dated as of April 1, 1981 (together the "Original Equipment Lease") pursuant to which the Lessor leased to the Lessee 13 rebuilt diesel electric locomotives and 300 open top hopper cars more fully described in Schedule A hereto (the "Equipment").

B. The Original Equipment Lease was recorded in the Office of the Secretary of the Interstate Commerce Commission on April 13, 1981 at 2:50 P.M. and was given Recordation No. 13050 and the First Amendment thereto was recorded in such office on July 1, 1983 at 11:00 A.M. and was given Recordation No. 13050-A.

C. The Original Equipment Lease was entered into as part of a leveraged lease financing of the Equipment more fully provided for in a Participation Agreement dated as of April 1, 1981 (the "Original Participation Agreement") among the Lessor, the Lessee, the Trustor, Waterloo Railroad Company, Mercantile-Safe Deposit and Trust Company, as Security Trustee (the "Security Trustee") and Continental Illinois National Bank and Trust Company of Chicago (the "Original Note Purchaser") pursuant to which the Lessor acquired the Equipment by application of sums advanced by the Trustor and the proceeds of sale of Secured Notes (the "Original Notes") of the Lessor sold to the Original Note Purchaser.

D. At the time the parties thereto entered into the Original Participation Agreement it was contemplated that the Lessor would, at the request of the Lessee, refinance the Original Notes by the sale of Notes bearing a fixed rate of interest.

E. Thereafter the Lessee and the Trustor caused the Lessor to sell to Bank of America National Trust and Savings Association ("B of A") a Non-recourse Secured Note (the "Outstanding Note") bearing a variable rate of interest and applied the proceeds of such sale, together with the installments of Fixed Rental and Additional Rental due pursuant to the Original

Equipment Lease on July 1, 1983 to the payment in full on July 1, 1983 of principal and accrued interest on the Original Notes.

F. In order to provide for the sale of the Outstanding Note to B of A, the Lessor, the Lessee, the Trustor, the Security Trustee and B of A entered into a Participation Agreement dated as of July 1, 1983 (the "B of A Participation Agreement").

G. Pursuant to the B of A Participation Agreement, the Lessor and the Lessee executed and delivered a Second Amendment to the Original Equipment Lease dated as of July 1, 1983, which was recorded in the office of the Secretary of the Interstate Commerce Commission on July 1, 1983 at 11:00 A.M. and given recordation number 13050B.

H. As contemplated by the Original Participation Agreement and the B of A Participation Agreement, the Lessee and the Trustor have now agreed to cause the Lessor to sell to Sanwa Business Credit Corporation (the "Note Purchaser") an 11.31% Non-recourse Secured Note (the "Note") bearing interest at the rate of 11.31% per annum and to apply the proceeds of such sale, together with the installment of Additional Rental due pursuant to the Original Equipment Lease, as heretofore and hereby amended, on July 5, 1985, to the payment in full on July 5, 1985 of principal and accrued interest on the Outstanding Note.

I. In order to provide for the sale of the Note to the Note Purchaser, the Lessor, the Lessee, the Trustor, the Security Trustee and the Note Purchaser propose to enter into a Participation Agreement dated as of July 1, 1985 (the "Fixed Rate Participation Agreement").

J. In order to induce the Note Purchaser to enter into the Fixed Rate Participation Agreement and to purchase the 11.31% Non-recourse Secured Note thereunder, the Lessor and the Lessee desire to amend the Original Equipment Lease, as heretofore amended, as hereinafter set forth.

In consideration of the premises and other good and valuable consideration, the receipt whereof is hereby acknowledged, the Lessor and the Lessee agree that the Original Equipment Lease, as heretofore amended, shall be deemed to be and is hereby amended upon the execution and delivery of this Third Amendment as follows:

1. Recital C of the Original Equipment Lease, as amended, shall be amended so that the defined terms "Refinancing Participation Agreement" and "Note Purchaser" shall read "B of A Participation Agreement" and "B of A", respectively, and the defined terms "Notes" and "Security Agreement" shall be deleted. References in the Original Equipment Lease, as amended, to "Refinancing Participation Agreement" shall mean the "B of A Participation Agreement".

2. The Original Equipment Lease, as amended, shall be amended by the addition thereto of a new Recital D reading as follows:

"D. The Lessee and the Lessor have entered into a Participation Agreement dated as of July 1, 1985 (the 'Participation Agreement', or 'Fixed Rate Participation Agreement') with the Trustor, the Security Trustee and Sanwa Business Credit Corporation (the 'Note Purchaser') providing for a commitment of the Note Purchaser to purchase at par the 11.31% Non-recourse Secured Notes (the 'Notes') of the Lessor in an amount equal to \$12,041,219.32. Pursuant to the Fixed Rate Participation Agreement, the Lessor will apply the proceeds of the sale of the Notes, together with the installment of Additional Rental payable hereunder on July 5, 1985 to the payment in full on July 5, 1985 of the principal and accrued interest outstanding on the Secured Notes of the Lessor issued pursuant to the B of A Participation Agreement. The Fixed Rate Participation Agreement provides that the Notes will be secured by the Collateral granted to the Security Trustee pursuant to the Security Agreement-Trust Deed dated as of April 1, 1981 from the Lessor to the Security Trustee, as amended by the First Amendment to Security Agreement-Trust Deed dated as of July 1, 1983 and by the Second Amendment to Security Agreement Trust Deed dated as July 1, 1985 (said Security Agreement-Trust Deed, as so amended, being hereinafter referred to as the 'Security Agreement')."

3. Section 2.1(c)(1) of the Original Equipment Lease, as amended, is hereby amended to read in the entirety as follows:

"(1) In addition to the amount of the second (2nd) to and including the seventeenth (17th) installments of quarterly Fixed Rental required to be paid pursuant to Section 2.1(b) above, an additional amount payable on the date of payment of each such installment equal to the amount, if any, by which the interest accrued and payable on the notes of the Lessor outstanding for the quarterly period then ending exceeds interest which would have accrued and been payable for such period on such notes if the interest payable thereunder were equal to 10% per annum (computed on the actual number of days elapsed divided by 360), on July 5, 1985 an amount equal to \$12,710.18, in addition to the amount of the Fixed Rental installment required to be paid pursuant to Section 2.1(b) above on October 1, 1985, an amount equal to \$24,303.20 and in addition to the amount of the nineteenth (19th) to and including the forty-ninth (49th) installments of quarterly Fixed Rental required to be

paid pursuant to Section 2.1(b) above, an additional amount payable on the date of payment of each such installment equal to the product of 0.003275 times the principal amount of the Notes outstanding on such date prior to the application of the rental installment payable on such date to the payment of the principal installment due on such date;"

4. Sections 2.1(c)(5) and (6) of the Original Equipment Lease, as amended, are hereby amended so that each reference therein to "Participation Agreement" shall read "B of A Participation Agreement".

5. Section 2.1(c) of the Original Equipment Lease is amended so that clause (6) thereof reads as follows and by adding a new clause (7) thereto reading as follows:

"(6) In compensation for the additional administrative burden contemplated to be incurred by the Lessor for the calendar quarter beginning July 1, 1983 and for each calendar quarter thereafter to but not including the quarter commencing July 1, 1985, the sum of \$1,500.00; and"

"(7) All amounts, if any, payable under Section 2.3 of the Fixed Rate Participation Agreement (to the extent such payment does not give rise to a rental adjustment under Section 2.3(D) hereof) by the Lessee."

and by deleting the word "and" following the semicolon in clause (5) thereof.

6. Section 2.2 of the Original Equipment Lease, as amended, shall be amended so that the phrase "on which any portion of the Notes shall remain outstanding" appearing in the fourth sentence thereof shall read "to but not including the quarter commencing July 1, 1985", and so that the Section references in the fifth sentence thereof read "Section 2.1(c)(2), (3), (4), (5) or (7)".

7. Section 2.3(D) of the Original Equipment Lease, as amended, shall be amended so as to read in the entirety as follows:

"(D) the amount paid by the Lessor and/or the Trustor pursuant to Section 2.6 of the Original Participation Agreement, Section 2.5 of the B of A Participation Agreement and Section 2.3 of the Fixed Rate Participation Agreement exceeds 0.85% of the aggregate Total Cost (as defined in the Original Participation Agreement) of the Equipment,"

8. Section 6.1(b) of the Original Equipment Lease, as amended, shall be amended by adding after the words "Refinancing Participation Agreement" the words "and Section 2.3 of the Fixed Rate Participation Agreement."

9. The last sentence of Section 10.1 of the Original Equipment Lease, as amended, shall be amended by adding after the words "Refinancing Participation Agreement" the words "and Section 2.3 of the Fixed Rate Participation Agreement."

10. Sections 14.1(c) and (d) of the Original Equipment Lease, as amended, shall be amended by adding after each reference therein to "Refinancing Participation Agreement" the phrase ", the Fixed Rate Participation Agreement."

11. Section 19 of the Original Equipment Lease, as amended, shall be amended so as to read in the entirety as follows:

"Anything to the contrary herein contained notwithstanding, any non-payment of Rent or other sum due hereunder shall result in the additional obligation on the part of the Lessee to pay interest at a rate equal to the higher of (i) 12.31% per annum, or (ii) 1% in excess of the Prime Rate (or the highest lawful rate, whichever is less) on such overdue amounts for the period of time during which they were overdue and not repaid. For purposes hereof, Prime Rate shall mean the rate of interest announced from time to time by Continental Illinois National Bank and Trust Company of Chicago in Chicago, Illinois as its prime rate."

12. Sections 20(a)(v) and (vii) of the Original Equipment Lease, as amended, shall be amended by adding immediately following each reference to "the Notes" in lieu of the phrase added by paragraph 12 of the Second Amendment the phrase "or any Secured Notes issued pursuant to the Original Participation Agreement or the B of A Participation Agreement."

13. Section 20(b)(vii) of the Original Equipment Lease, as amended, shall be amended so that the reference therein to "the Original Participation Agreement or the Participation Agreement" shall read "the Original Participation Agreement, the B of A Participation Agreement or the Fixed Rate Participation Agreement."

14. Section 21.1 of the Original Equipment Lease, as amended, shall be amended so that the address provided for notice to the Note Purchaser shall read as follows: "at the address provided therefor in Schedule 2 to the Fixed Rate Participation Agreement".

15. Section 21.2 of the Original Equipment Lease, as amended, shall be amended so that the second sentence thereof reads in the entirety as follows:

"Any payment so made by any such party and all cost and expense (including, without limitation, reasonable

attorneys' fees and expenses) incurred in connection therewith shall be payable by the Lessee to the party making the same upon demand as Additional Rental hereunder, with interest thereon at a rate equal to the higher of (a) 12.31% per annum, or (b) a rate 1% in excess of the Prime Rate (or the maximum rate allowed by law, whichever is less)."

Except to the extent hereby amended and modified, the Original Equipment Lease, as amended, is in all respects ratified, confirmed and approved.

This Third Amendment shall be construed in accordance with the laws of the State of Illinois; provided, however, that the parties shall be entitled to all rights conferred by any applicable Federal statute, rule or regulation.

This Third Amendment may be executed in several counterparts, each of which so executed shall be deemed to be an original and in each case such counterparts shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Third Amendment to be executed by their respective officers thereunder duly authorized as of the day and year first above written.

[CORPORATE SEAL]

ATTEST:

Authorized Officer

THE CONNECTICUT BANK AND
TRUST COMPANY, NATIONAL
ASSOCIATION, as Trustee
under I.C.G. Trust No. 81-2

By _____
Its _____ Vice President

[CORPORATE SEAL]

ATTEST:

W. H. Sanders
Assistant Secretary

ILLINOIS CENTRAL GULF
RAILROAD COMPANY

By J. E. Harker
Its Vice President

DESCRIPTION OF ITEMS OF EQUIPMENT

Description of New Items: 300 100-Ton Open Top Hopper Cars
Marked and Numbered ICG
387200 through ICG 387499,
inclusive

Description of Rebuilt Items: 13 Rebuilt SW-14 Diesel Electric
Locomotives Marked and Numbered
ICG 1465 through ICG 1477,
inclusive

(I.C.G. Trust No. 81-2)

SCHEDULE A
(to Third Amendment to Equipment Lease)

THIRD AMENDMENT TO EQUIPMENT LEASE

Dated as of July 1, 1985

between

THE CONNECTICUT BANK AND TRUST COMPANY,
NATIONAL ASSOCIATION

(Successor by merger to The Connecticut Bank and
Trust Company) as Trustee under
I.C.G. Trust No. 81-2

LESSOR

and

ILLINOIS CENTRAL GULF RAILROAD COMPANY

LESSEE

(I.C.G. Trust No. 81-2: Fixed Rate Refinancing)
(13 Rebuilt Locomotives and
300 Open Top Hopper Cars)

THIRD AMENDMENT TO EQUIPMENT LEASE

THIS THIRD AMENDMENT TO EQUIPMENT LEASE dated as of July 1, 1985 is between The Connecticut Bank and Trust Company, National Association (successor by merger to The Connecticut Bank and Trust Company), not individually but solely as trustee (the "Lessor") under a Trust Agreement dated as of April 1, 1981, as amended (the "Trust Agreement") with IRFC Leasing 5 Corporation (the "Trustor") and Illinois Central Gulf Railroad Company, a Delaware corporation (the "Lessee").

R E C I T A L S:

A. The Lessor and the Lessee have heretofore executed and delivered an Equipment Lease dated as of April 1, 1981 and a First Amendment thereto dated as of April 1, 1981 (together the "Original Equipment Lease") pursuant to which the Lessor leased to the Lessee 13 rebuilt diesel electric locomotives and 300 open top hopper cars more fully described in Schedule A hereto (the "Equipment").

B. The Original Equipment Lease was recorded in the Office of the Secretary of the Interstate Commerce Commission on April 13, 1981 at 2:50 P.M. and was given Recordation No. 13050 and the First Amendment thereto was recorded in such office on July 1, 1983 at 11:00 A.M. and was given Recordation No. 13050-A.

C. The Original Equipment Lease was entered into as part of a leveraged lease financing of the Equipment more fully provided for in a Participation Agreement dated as of April 1, 1981 (the "Original Participation Agreement") among the Lessor, the Lessee, the Trustor, Waterloo Railroad Company, Mercantile-Safe Deposit and Trust Company, as Security Trustee (the "Security Trustee") and Continental Illinois National Bank and Trust Company of Chicago (the "Original Note Purchaser") pursuant to which the Lessor acquired the Equipment by application of sums advanced by the Trustor and the proceeds of sale of Secured Notes (the "Original Notes") of the Lessor sold to the Original Note Purchaser.

D. At the time the parties thereto entered into the Original Participation Agreement it was contemplated that the Lessor would, at the request of the Lessee, refinance the Original Notes by the sale of Notes bearing a fixed rate of interest.

E. Thereafter the Lessee and the Trustor caused the Lessor to sell to Bank of America National Trust and Savings Association ("B of A") a Non-recourse Secured Note (the "Outstanding Note") bearing a variable rate of interest and applied the proceeds of such sale, together with the installments of Fixed Rental and Additional Rental due pursuant to the Original

Equipment Lease on July 1, 1983 to the payment in full on July 1, 1983 of principal and accrued interest on the Original Notes.

F. In order to provide for the sale of the Outstanding Note to B of A, the Lessor, the Lessee, the Trustor, the Security Trustee and B of A entered into a Participation Agreement dated as of July 1, 1983 (the "B of A Participation Agreement").

G. Pursuant to the B of A Participation Agreement, the Lessor and the Lessee executed and delivered a Second Amendment to the Original Equipment Lease dated as of July 1, 1983, which was recorded in the office of the Secretary of the Interstate Commerce Commission on July 1, 1983 at 11:00 A.M. and given recordation number 13050B.

H. As contemplated by the Original Participation Agreement and the B of A Participation Agreement, the Lessee and the Trustor have now agreed to cause the Lessor to sell to Sanwa Business Credit Corporation (the "Note Purchaser") an 11.31% Non-recourse Secured Note (the "Note") bearing interest at the rate of 11.31% per annum and to apply the proceeds of such sale, together with the installment of Additional Rental due pursuant to the Original Equipment Lease, as heretofore and hereby amended, on July 5, 1985, to the payment in full on July 5, 1985 of principal and accrued interest on the Outstanding Note.

I. In order to provide for the sale of the Note to the Note Purchaser, the Lessor, the Lessee, the Trustor, the Security Trustee and the Note Purchaser propose to enter into a Participation Agreement dated as of July 1, 1985 (the "Fixed Rate Participation Agreement").

J. In order to induce the Note Purchaser to enter into the Fixed Rate Participation Agreement and to purchase the 11.31% Non-recourse Secured Note thereunder, the Lessor and the Lessee desire to amend the Original Equipment Lease, as heretofore amended, as hereinafter set forth.

In consideration of the premises and other good and valuable consideration, the receipt whereof is hereby acknowledged, the Lessor and the Lessee agree that the Original Equipment Lease, as heretofore amended, shall be deemed to be and is hereby amended upon the execution and delivery of this Third Amendment as follows:

1. Recital C of the Original Equipment Lease, as amended, shall be amended so that the defined terms "Refinancing Participation Agreement" and "Note Purchaser" shall read "B of A Participation Agreement" and "B of A", respectively, and the defined terms "Notes" and "Security Agreement" shall be deleted. References in the Original Equipment Lease, as amended, to "Refinancing Participation Agreement" shall mean the "B of A Participation Agreement".

2. The Original Equipment Lease, as amended, shall be amended by the addition thereto of a new Recital D reading as follows:

"D. The Lessee and the Lessor have entered into a Participation Agreement dated as of July 1, 1985 (the 'Participation Agreement', or 'Fixed Rate Participation Agreement') with the Trustor, the Security Trustee and Sanwa Business Credit Corporation (the 'Note Purchaser') providing for a commitment of the Note Purchaser to purchase at par the 11.31% Non-recourse Secured Notes (the 'Notes') of the Lessor in an amount equal to \$12,041,219.32. Pursuant to the Fixed Rate Participation Agreement, the Lessor will apply the proceeds of the sale of the Notes, together with the installment of Additional Rental payable hereunder on July 5, 1985 to the payment in full on July 5, 1985 of the principal and accrued interest outstanding on the Secured Notes of the Lessor issued pursuant to the B of A Participation Agreement. The Fixed Rate Participation Agreement provides that the Notes will be secured by the Collateral granted to the Security Trustee pursuant to the Security Agreement-Trust Deed dated as of April 1, 1981 from the Lessor to the Security Trustee, as amended by the First Amendment to Security Agreement-Trust Deed dated as of July 1, 1983 and by the Second Amendment to Security Agreement Trust Deed dated as July 1, 1985 (said Security Agreement-Trust Deed, as so amended, being hereinafter referred to as the 'Security Agreement')."

3. Section 2.1(c)(1) of the Original Equipment Lease, as amended, is hereby amended to read in the entirety as follows:

"(1) In addition to the amount of the second (2nd) to and including the seventeenth (17th) installments of quarterly Fixed Rental required to be paid pursuant to Section 2.1(b) above, an additional amount payable on the date of payment of each such installment equal to the amount, if any, by which the interest accrued and payable on the notes of the Lessor outstanding for the quarterly period then ending exceeds interest which would have accrued and been payable for such period on such notes if the interest payable thereunder were equal to 10% per annum (computed on the actual number of days elapsed divided by 360), on July 5, 1985 an amount equal to \$12,710.18, in addition to the amount of the Fixed Rental installment required to be paid pursuant to Section 2.1(b) above on October 1, 1985, an amount equal to \$24,303.20 and in addition to the amount of the nineteenth (19th) to and including the forty-ninth (49th) installments of quarterly Fixed Rental required to be

paid pursuant to Section 2.1(b) above, an additional amount payable on the date of payment of each such installment equal to the product of 0.003275 times the principal amount of the Notes outstanding on such date prior to the application of the rental installment payable on such date to the payment of the principal installment due on such date;"

4. Sections 2.1(c)(5) and (6) of the Original Equipment Lease, as amended, are hereby amended so that each reference therein to "Participation Agreement" shall read "B of A Participation Agreement".

5. Section 2.1(c) of the Original Equipment Lease is amended so that clause (6) thereof reads as follows and by adding a new clause (7) thereto reading as follows:

"(6) In compensation for the additional administrative burden contemplated to be incurred by the Lessor for the calendar quarter beginning July 1, 1983 and for each calendar quarter thereafter to but not including the quarter commencing July 1, 1985, the sum of \$1,500.00; and"

"(7) All amounts, if any, payable under Section 2.3 of the Fixed Rate Participation Agreement (to the extent such payment does not give rise to a rental adjustment under Section 2.3(D) hereof) by the Lessee."

and by deleting the word "and" following the semicolon in clause (5) thereof.

6. Section 2.2 of the Original Equipment Lease, as amended, shall be amended so that the phrase "on which any portion of the Notes shall remain outstanding" appearing in the fourth sentence thereof shall read "to but not including the quarter commencing July 1, 1985", and so that the Section references in the fifth sentence thereof read "Section 2.1(c)(2), (3), (4), (5) or (7)".

7. Section 2.3(D) of the Original Equipment Lease, as amended, shall be amended so as to read in the entirety as follows:

"(D) the amount paid by the Lessor and/or the Trustor pursuant to Section 2.6 of the Original Participation Agreement, Section 2.5 of the B of A Participation Agreement and Section 2.3 of the Fixed Rate Participation Agreement exceeds 0.85% of the aggregate Total Cost (as defined in the Original Participation Agreement) of the Equipment,"

8. Section 6.1(b) of the Original Equipment Lease, as amended, shall be amended by adding after the words "Refinancing Participation Agreement" the words "and Section 2.3 of the Fixed Rate Participation Agreement."

9. The last sentence of Section 10.1 of the Original Equipment Lease, as amended, shall be amended by adding after the words "Refinancing Participation Agreement" the words "and Section 2.3 of the Fixed Rate Participation Agreement."

10. Sections 14.1(c) and (d) of the Original Equipment Lease, as amended, shall be amended by adding after each reference therein to "Refinancing Participation Agreement" the phrase ", the Fixed Rate Participation Agreement."

11. Section 19 of the Original Equipment Lease, as amended, shall be amended so as to read in the entirety as follows:

"Anything to the contrary herein contained notwithstanding, any non-payment of Rent or other sum due hereunder shall result in the additional obligation on the part of the Lessee to pay interest at a rate equal to the higher of (i) 12.31% per annum, or (ii) 1% in excess of the Prime Rate (or the highest lawful rate, whichever is less) on such overdue amounts for the period of time during which they were overdue and not repaid. For purposes hereof, Prime Rate shall mean the rate of interest announced from time to time by Continental Illinois National Bank and Trust Company of Chicago in Chicago, Illinois as its prime rate."

12. Sections 20(a)(v) and (vii) of the Original Equipment Lease, as amended, shall be amended by adding immediately following each reference to "the Notes" in lieu of the phrase added by paragraph 12 of the Second Amendment the phrase "or any Secured Notes issued pursuant to the Original Participation Agreement or the B of A Participation Agreement."

13. Section 20(b)(vii) of the Original Equipment Lease, as amended, shall be amended so that the reference therein to "the Original Participation Agreement or the Participation Agreement" shall read "the Original Participation Agreement, the B of A Participation Agreement or the Fixed Rate Participation Agreement."

14. Section 21.1 of the Original Equipment Lease, as amended, shall be amended so that the address provided for notice to the Note Purchaser shall read as follows: "at the address provided therefor in Schedule 2 to the Fixed Rate Participation Agreement".

15. Section 21.2 of the Original Equipment Lease, as amended, shall be amended so that the second sentence thereof reads in the entirety as follows:

"Any payment so made by any such party and all cost and expense (including, without limitation, reasonable

attorneys' fees and expenses) incurred in connection therewith shall be payable by the Lessee to the party making the same upon demand as Additional Rental hereunder, with interest thereon at a rate equal to the higher of (a) 12 3/4% per annum, or (b) a rate 1% in excess of the Prime Rate (or the maximum rate allowed by law, whichever is less)."

Except to the extent hereby amended and modified, the Original Equipment Lease, as amended, is in all respects ratified, confirmed and approved.

This Third Amendment shall be construed in accordance with the laws of the State of Illinois; provided, however, that the parties shall be entitled to all rights conferred by any applicable Federal statute, rule or regulation.

This Third Amendment may be executed in several counterparts, each of which so executed shall be deemed to be an original and in each case such counterparts shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Third Amendment to be executed by their respective officers thereunder duly authorized as of the day and year first above written.

THE CONNECTICUT BANK AND
TRUST COMPANY, NATIONAL
ASSOCIATION, as Trustee
under I.C.G. Trust No. 81-2

[CORPORATE SEAL]

ATTEST:



Authorized Officer

By 

Its Vice President

ILLINOIS CENTRAL GULF
RAILROAD COMPANY

[CORPORATE SEAL]

ATTEST:

Assistant Secretary

By _____
Its Vice President

STATE OF CONNECTICUT)
) SS
COUNTY OF HARTFORD)

On this _____ day of June, 1985, before me personally appeared _____ F. W. KAWAM, to me personally known, who being by me duly sworn, says that he is a _____ Vice President of THE CONNECTICUT BANK AND TRUST COMPANY, NATIONAL ASSOCIATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said 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.

Earla Mae Sheppard

Notary Public

[NOTARIAL SEAL]

EARLA MAE SHEPPARD
NOTARY PUBLIC

My commission expires: MY COMMISSION EXPIRES MARCH 31, 1989

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this _____ day of June, 1985, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is a Vice President of ILLINOIS CENTRAL GULF RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said 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.

Notary Public

[NOTARIAL SEAL]

My commission expires: _____

DESCRIPTION OF ITEMS OF EQUIPMENT

Description of New Items:	300 100-Ton Open Top Hopper Cars Marked and Numbered ICG 387200 through ICG 387499, inclusive
Description of Rebuilt Items:	13 Rebuilt SW-14 Diesel Electric Locomotives Marked and Numbered ICG 1465 through ICG 1477, inclusive

(I.C.G. Trust No. 81-2)

SCHEDULE A
(to Third Amendment to Equipment Lease)