

RECORDATION UNIT 18075-B SEP 14 1994

SEP 9 1994 10:00 AM

INTERSTATE LAND COMMISSION

LEASE SUPPLEMENT NO. 1

THIS LEASE SUPPLEMENT NO. 1 dated as of September 9, 1994 between SHAWMUT BANK CONNECTICUT, NATIONAL ASSOCIATION, not individually but solely as Owner Trustee under Indiana Michigan Power Trust No. 94-1 ("*Lessor*"), and INDIANA MICHIGAN POWER COMPANY, an Indiana corporation ("*Lessee*"),

WITNESSETH:

1. Lessor and Lessee have heretofore entered into a Railcar Lease dated as of August 1, 1994 (the "*Lease*") providing for the execution and delivery of Lease Supplements substantially in the form hereof. The terms defined in the Lease shall have the same meanings when used herein.

2. Lessee hereby acknowledges and confirms that on or prior to the date hereof, the Equipment described in Schedule 1 attached hereto has been delivered and assembled. Lessee represents that the Equipment is free and clear of all liens and encumbrances.

3. Lessee hereby certifies that the date of acceptance of the Equipment and commencement of the Lease Term with respect thereto is September 9, 1994.

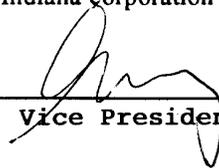
4. Lessee hereby certifies that such Purchase Price for the Equipment as of the date hereof is \$14,260,465.76.

5. Interim Rent for the Equipment is payable in the amount set forth in Section 6(a) of the Lease on December 30, 1994. Fixed Rent, Stipulated Loss Values and Termination Values for the Equipment is payable in the amounts and on the Rent Payment Dates set forth in Schedule 2 attached hereto.

Counterpart No. 3 of 12.

IN WITNESS WHEREOF, Lessor and Lessee have caused this instrument to be executed,
all as of the day and year first above written.

INDIANA MICHIGAN POWER COMPANY,
an Indiana corporation

By  _____
Its Vice President

SHAWMUT BANK CONNECTICUT, NATIONAL
ASSOCIATION, not individually but solely
as Owner Trustee under Indiana Michigan
Power Trust No. 94-1

By _____
Its

STATE OF OHIO)
) SS.:
COUNTY OF FRANKLIN)

On this, the 1st day of September, 1994, before me, a Notary Public in and for said County and State, personally appeared G. P. Maloney, Vice President of INDIANA MICHIGAN POWER COMPANY, who acknowledged himself to be a duly authorized officer of INDIANA MICHIGAN POWER COMPANY, and that, as such officer, being authorized to do so, he executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Mary M. Soltesz
Name: **Mary M. Soltesz**
Notary Public
My Commission Expires: **7-12-99**
Residing in Reynoldsburg, OH

STATE OF _____)
) SS.:
COUNTY OF _____)

On this, the _____ day of _____, 1994, before me, a Notary Public in and for said County and State, personally appeared _____, the _____ of SHAWMUT BANK CONNECTICUT, NATIONAL ASSOCIATION, who acknowledged himself to be a duly authorized officer of SHAWMUT BANK CONNECTICUT, NATIONAL ASSOCIATION, and that, as such officer, being authorized to do so, he executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name:
Notary Public
My Commission Expires:
Residing in _____

IN WITNESS WHEREOF, Lessor and Lessee have caused this instrument to be executed,
all as of the day and year first above written.

INDIANA MICHIGAN POWER COMPANY,
an Indiana corporation

By _____
Its

SHAWMUT BANK CONNECTICUT, NATIONAL
ASSOCIATION, not individually but solely
as Owner Trustee under Indiana Michigan
Power Trust No. 94-1

By SWAN T. KELLY
Its
Vice President

STATE OF _____)
) SS.:
COUNTY OF _____)

On this, the _____ day of _____, 1994, before me, a Notary Public in and for said County and State, personally appeared _____, the _____ of INDIANA MICHIGAN POWER COMPANY, who acknowledged himself to be a duly authorized officer of INDIANA MICHIGAN POWER COMPANY, and that, as such officer, being authorized to do so, he executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name:
Notary Public
My Commission Expires:
Residing in _____

STATE OF Connecticut)
) SS.:
COUNTY OF Hartford)

On this, the 1st day of September, 1994, before me, a Notary Public in and for said County and State, personally appeared JOEL T. WELLS, the Vice President of SHAWMUT BANK CONNECTICUT, NATIONAL ASSOCIATION, who acknowledged himself to be a duly authorized officer of SHAWMUT BANK CONNECTICUT, NATIONAL ASSOCIATION, and that, as such officer, being authorized to do so, he executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Cynthia L Essay
Name:
Notary Public
My Commission Expires: Feb 28, 1998
Residing in Wichester, CT

DESCRIPTION OF EQUIPMENT

326 new 120-ton aluminum-bodied, rotary-dump gondola railcars suitable for carrying coal, as more specifically described below:

CAR INITIALS	CAR NUMBERS
AEPX	4465
AEPX	4466
AEPX	4467
AEPX	4468
AEPX	4469
AEPX	4470
AEPX	4471
AEPX	4472
AEPX	4473
AEPX	4474
AEPX	4475
AEPX	4476
AEPX	4477
AEPX	4478
AEPX	4479
AEPX	4480
AEPX	4481
AEPX	4482
AEPX	4483
AEPX	4484
AEPX	4485
AEPX	4486
AEPX	4487
AEPX	4488
AEPX	4489
AEPX	4490
AEPX	4491
AEPX	4492
AEPX	4493
AEPX	4494
AEPX	4495
AEPX	4496
AEPX	4497
AEPX	4498
AEPX	4499
AEPX	4500
AEPX	4501
AEPX	4502
AEPX	4503

Schedule 1
(to Lease Supplement No. 1)

CAR INITIALS	CAR NUMBERS
AEPX	4504
AEPX	4505
AEPX	4506
AEPX	4507
AEPX	4508
AEPX	4509
AEPX	4510
AEPX	4511
AEPX	4512
AEPX	4513
AEPX	4514
AEPX	4515
AEPX	4516
AEPX	4517
AEPX	4518
AEPX	4519
AEPX	4520
AEPX	4521
AEPX	4522
AEPX	4523
AEPX	4524
AEPX	4525
AEPX	4526
AEPX	4527
AEPX	4528
AEPX	4529
AEPX	4530
AEPX	4531
AEPX	4532
AEPX	4533
AEPX	4534
AEPX	4535
AEPX	4536
AEPX	4537
AEPX	4538
AEPX	4539
AEPX	4540
AEPX	4541
AEPX	4542
AEPX	4543
AEPX	4544
AEPX	4545
AEPX	4546
AEPX	4547
AEPX	4548
AEPX	4549

CAR INITIALS

CAR NUMBERS

AEPX	4550
AEPX	4551
AEPX	4552
AEPX	4553
AEPX	4554
AEPX	4555
AEPX	4556
AEPX	4557
AEPX	4558
AEPX	4559
AEPX	4560
AEPX	4561
AEPX	4562
AEPX	4563
AEPX	4564
AEPX	4565
AEPX	4566
AEPX	4567
AEPX	4568
AEPX	4569
AEPX	4570
AEPX	4571
AEPX	4572
AEPX	4573
AEPX	4574
AEPX	4575
AEPX	4576
AEPX	4577
AEPX	4578
AEPX	4579
AEPX	4580
AEPX	4581
AEPX	4582
AEPX	4583
AEPX	4584
AEPX	4585
AEPX	4586
AEPX	4587
AEPX	4588
AEPX	4589
AEPX	4590
AEPX	4591
AEPX	4592
AEPX	4593
AEPX	4594
AEPX	4595

CAR INITIALS	CAR NUMBERS
AEPX	4596
AEPX	4597
AEPX	4598
AEPX	4599
AEPX	4600
AEPX	4601
AEPX	4602
AEPX	4603
AEPX	4604
AEPX	4605
AEPX	4606
AEPX	4607
AEPX	4608
AEPX	4609
AEPX	4610
AEPX	4611
AEPX	4612
AEPX	4613
AEPX	4614
AEPX	4615
AEPX	4616
AEPX	4617
AEPX	4618
AEPX	4619
AEPX	4620
AEPX	4621
AEPX	4622
AEPX	4623
AEPX	4624
AEPX	4625
AEPX	4626
AEPX	4627
AEPX	4628
AEPX	4629
AEPX	4630
AEPX	4631
AEPX	4632
AEPX	4633
AEPX	4634
AEPX	4635
AEPX	4636
AEPX	4637
AEPX	4638
AEPX	4639
AEPX	4640
AEPX	4641

CAR INITIALS

CAR NUMBERS

AEPX	4642
AEPX	4643
AEPX	4644
AEPX	4645
AEPX	4646
AEPX	4647
AEPX	4648
AEPX	4649
AEPX	4650
AEPX	4651
AEPX	4652
AEPX	4653
AEPX	4654
AEPX	4655
AEPX	4656
AEPX	4657
AEPX	4658
AEPX	4659
AEPX	4660
AEPX	4661
AEPX	4662
AEPX	4663
AEPX	4664
AEPX	4665
AEPX	4666
AEPX	4667
AEPX	4668
AEPX	4669
AEPX	4670
AEPX	4671
AEPX	4672
AEPX	4673
AEPX	4674
AEPX	4675
AEPX	4676
AEPX	4677
AEPX	4678
AEPX	4679
AEPX	4680
AEPX	4681
AEPX	4682
AEPX	4683
AEPX	4684
AEPX	4685
AEPX	4686
AEPX	4687

CAR INITIALS

CAR NUMBERS

AEPX	4688
AEPX	4689
AEPX	4690
AEPX	4691
AEPX	4692
AEPX	4693
AEPX	4694
AEPX	4695
AEPX	4696
AEPX	4697
AEPX	4698
AEPX	4699
AEPX	4700
AEPX	4701
AEPX	4702
AEPX	4703
AEPX	4704
AEPX	4705
AEPX	4706
AEPX	4707
AEPX	4708
AEPX	4709
AEPX	4710
AEPX	4711
AEPX	4712
AEPX	4713
AEPX	4714
AEPX	4715
AEPX	4716
AEPX	4717
AEPX	4718
AEPX	4719
AEPX	4720
AEPX	4721
AEPX	4722
AEPX	4723
AEPX	4724
AEPX	4725
AEPX	4726
AEPX	4727
AEPX	4728
AEPX	4729
AEPX	4730
AEPX	4731
AEPX	4732
AEPX	4733

CAR INITIALS

CAR NUMBERS

AEPX	4734
AEPX	4735
AEPX	4736
AEPX	4737
AEPX	4738
AEPX	4739
AEPX	4740
AEPX	4741
AEPX	4742
AEPX	4743
AEPX	4744
AEPX	4745
AEPX	4746
AEPX	4747
AEPX	4748
AEPX	4749
AEPX	4750
AEPX	4751
AEPX	4752
AEPX	4753
AEPX	4754
AEPX	4755
AEPX	4756
AEPX	4757
AEPX	4758
AEPX	4759
AEPX	4760
AEPX	4761
AEPX	4762
AEPX	4763
AEPX	4764
AEPX	4765
AEPX	4766
AEPX	4767
AEPX	4768
AEPX	4769
AEPX	4770
AEPX	4771
AEPX	4772
AEPX	4773
AEPX	4774
AEPX	4775
AEPX	4776
AEPX	4777
AEPX	4778
AEPX	4779

CAR INITIALS	CAR NUMBERS
AEPX	4780
AEPX	4781
AEPX	4782
AEPX	4783
AEPX	4784
AEPX	4785
AEPX	4786
AEPX	4787
AEPX	4788
AEPX	4789
AEPX	4790
Total Cars	326

SCHEDULE OF FIXED RENT

RENT INSTALLMENT
FOR THE ITEM OF EQUIPMENT EQUAL TO
PURCHASE PRICE OF THE ITEM OF
EQUIPMENT TIMES THE FOLLOWING
FIXED RENT FACTOR

RENT
PAYMENT DATE

30-Dec-94	0.0000000%
30-Jun-95	3.8358308%
30-Dec-95	3.8358308%
30-Jun-96	3.8358308%
30-Dec-96	3.8358308%
30-Jun-97	3.8358308%
30-Dec-97	3.8358308%
30-Jun-98	3.8358308%
30-Dec-98	3.8358308%
30-Jun-99	3.8358308%
30-Dec-99	3.8358308%
30-Jun-00	3.8358308%
30-Dec-00	3.8358308%
30-Jun-01	3.8358308%
30-Dec-01	3.8358308%
30-Jun-02	3.8358308%
30-Dec-02	3.8358308%
30-Jun-03	3.8358308%
30-Dec-03	3.8358308%
30-Jun-04	3.8358308%
30-Dec-04	3.8358308%
30-Jun-05	3.8358308%
30-Dec-05	3.8358308%
30-Jun-06	3.8358308%
30-Dec-06	3.8358308%
30-Jun-07	3.8358308%
30-Dec-07	3.8358308%
30-Jun-08	3.8358308%
30-Dec-08	3.8358308%
30-Jun-09	3.8358308%
30-Dec-09	3.8358308%
30-Jun-10	3.8358308%
30-Dec-10	3.8358308%
30-Jun-11	3.8358308%
30-Dec-11	3.8358308%
30-Jun-12	3.8358308%
30-Dec-12	3.8358308%
30-Jun-13	3.8358308%
30-Dec-13	3.8358308%
30-Jun-14	3.8358308%
30-Dec-14	3.8358308%

SCHEDULE 2
(to Lease Supplement No. 1)

**SCHEDULE OF
STIPULATED LOSS VALUE AND TERMINATION VALUE**

**STIPULATED LOSS VALUE OR
TERMINATION VALUE, AS A
PERCENT OF THE PURCHASE PRICE
OF THE ITEM OF EQUIPMENT
(IN ADDITION TO FIXED RENT
INSTALLMENT FOR SUCH ITEM OF
EQUIPMENT DUE ON SUCH DATE)**

**RENT
PAYMENT DATE**

30-Dec-94	104.7937048%
30-Jun-95	104.8270397%
30-Dec-95	104.7042330%
30-Jun-96	104.1769124%
30-Dec-96	103.6752953%
30-Jun-97	102.8777141%
30-Dec-97	102.0905941%
30-Jun-98	101.1865033%
30-Dec-98	100.1777427%
30-Jun-99	99.0710910%
30-Dec-99	97.8550722%
30-Jun-00	96.5360078%
30-Dec-00	95.1236020%
30-Jun-01	93.6540164%
30-Dec-01	92.1249542%
30-Jun-02	90.5340281%
30-Dec-02	88.8787554%
30-Jun-03	87.1565535%
30-Dec-03	85.3790255%
30-Jun-04	83.5564199%
30-Dec-04	81.6939367%
30-Jun-05	79.7843684%
30-Dec-05	77.8330299%
30-Jun-06	75.8323692%
30-Dec-06	73.7879574%
30-Jun-07	71.6956406%
30-Dec-07	69.5628465%
30-Jun-08	67.3810485%
30-Dec-08	65.1576571%
30-Jun-09	62.8835084%
30-Dec-09	60.5666754%
30-Jun-10	58.1973113%
30-Dec-10	55.7842069%
30-Jun-11	53.3167814%
30-Dec-11	50.8046021%
30-Jun-12	48.2362960%
30-Dec-12	45.6222861%
30-Jun-13	42.9503383%
30-Dec-13	40.2317991%
30-Jun-14	37.4988082%
30-Dec-14	35.0000000%