

SLOVER & LOFTUS

ATTORNEYS AT LAW

1224 SEVENTEENTH STREET, N. W.

WASHINGTON, D. C. 20036

WILLIAM L. SLOVER  
C. MICHAEL LOFTUS  
DONALD G. AVERY  
JOHN H. LE SEUR  
KELVIN J. DOWD  
ROBERT D. ROSENBERG  
CHRISTOPHER A. MILLS  
FRANK J. PERGOLIZZI  
ANDREW B. KOLESAR III

RECORDATION NO. 10769-B, C FILED

JUL 22 '97

4-19PM

202 347-7170

JUL 22 4 19 PM '97

RECEIVED  
SURFACE TRANSPORTATION  
BOARD

July 22, 1997

The Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
1925 K Street NW, Suite 700  
Washington, D.C. 20423

Re: Dairyland Power Cooperative;  
Recording of Supplement to Consolidated Mortgage  
and Security Agreement and Acknowledgement of  
Continuing Mortgage Lien and Security Interest

Dear Mr. Williams:

Pursuant to 49 U.S.C. § 11301 and the Board's regulations at 49 C.R. § 1177, I enclose on behalf of Dairyland Power Cooperative, a Wisconsin cooperative, as additional filings under Recordation No. 10769,<sup>1</sup> an original and one counterpart each of the following documents for filing and recordation:

1. Supplement to Consolidated Mortgage and Security Agreement, dated as of July 1, 1997, made by and among Dairyland Power Cooperative, Mortgagor, and United States of America, National Rural Utilities Cooperative Finance Corporation, and First Trust of New York, National Association, Mortgagees; and
2. Acknowledgement of Continuing Mortgage Lien and Security Interest, executed July 18, 1997.

The short summary of these documents for indexing purposes is:

Supplement to Consolidated Mortgage and Security Agreement dated as of July 1, 1997, and Acknowledgement of Continuing Mortgage Lien and Security Interest executed July 18, 1997, relating to the Consolidated Mortgage and Security Agreement

<sup>1</sup>The equipment referenced in this document is also subject to the security interest recorded at Recordation No. 18312.

*Counterparts - John S. ...*

The Honorable Vernon A. Williams  
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with Recordation No. 10769, and covering two hundred sixty-nine (269) coal unit train cars.

The names and addresses of the parties to the  
aforementioned documents are as follows:

Mortgagor/Debtor:

DAIRYLAND POWER COOPERATIVE  
P.O. Box 817  
LaCrosse, WI 54602-0817

Mortgagees/Secured Parties:

UNITED STATES OF AMERICA  
12th and Independence Avenue, S.W.  
South Building  
Washington, D.C. 20250-1400

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE  
CORPORATION  
Woodland Park  
2201 Cooperative Way  
Herndon, VA 22071-3025

FIRST TRUST OF NEW YORK, NATIONAL ASSOCIATION, as  
Trustee  
100 Wall Street  
Suite 1600  
New York, NY 10005

Please file and record the documents referred to in  
this letter, and index them under the names of the Mortgagor and  
Mortgagee. It is requested that the documents be assigned  
Recordation No. 10769-B and 10769-C.

The equipment covered by the aforementioned documents  
consists of the two hundred forty-four (244) coal unit train cars  
previously identified in Recordation No. 10769, all of which are  
of the steel "bath tub" gondola design. Two hundred nineteen  
(219) of the cars are 4,240 cubic foot capacity "Coalveyors"  
built by ACF Industries in 1979. These cars bear the reporting  
marks DAPX 1-242 in an irregular numerical sequence:

DAPX 1	DAPX 25
DAPX 2	DAPX 26
DAPX 3	DAPX 27
DAPX 4	DAPX 28
DAPX 5	DAPX 29
DAPX 6	DAPX 30
DAPX 7	DAPX 31
DAPX 8	DAPX 32

The Honorable Vernon A. Williams

July 22, 1997

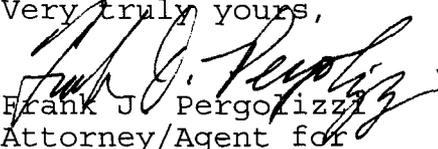
Page 3

DAPX 9	DAPX 34
DAPX 10	DAPX 35
DAPX 11	DAPX 38
DAPX 12	DAPX 39
DAPX 13	DAPX 40
DAPX 14	DAPX 41
DAPX 15	DAPX 42
DAPX 16	DAPX 43
DAPX 17	DAPX 44
DAPX 18	DAPX 45
DAPX 19	DAPX 46
DAPX 20	DAPX 48
DAPX 21	DAPX 49
DAPX 22	DAPX 50
DAPX 23	DAPX 51
DAPX 24	DAPX 52
DAPX 53	DAPX 82
DAPX 54	DAPX 83
DAPX 55	DAPX 84
DAPX 56	DAPX 85
DAPX 57	DAPX 86
DAPX 58	DAPX 87
DAPX 59	DAPX 88
DAPX 60	DAPX 89
DAPX 62	DAPX 91
DAPX 63	DAPX 92
DAPX 64	DAPX 94
DAPX 65	DAPX 95
DAPX 66	DAPX 96
DAPX 67	DAPX 97
DAPX 68	DAPX 98
DAPX 69	DAPX 99
DAPX 70	DAPX 100
DAPX 71	DAPX 101
DAPX 72	DAPX 102
DAPX 73	DAPX 103
DAPX 74	DAPX 104
DAPX 75	DAPX 105
DAPX 76	DAPX 106
DAPX 77	DAPX 107
DAPX 78	DAPX 108
DAPX 80	DAPX 109
DAPX 81	DAPX 110
DAPX 111	DAPX 138
DAPX 112	DAPX 139
DAPX 113	DAPX 140
DAPX 114	DAPX 141
DAPX 115	DAPX 143
DAPX 116	DAPX 145
DAPX 117	DAPX 146
DAPX 118	DAPX 148
DAPX 119	DAPX 149
DAPX 120	DAPX 150

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Thank you for your consideration in this matter.

Very truly yours,

  
Frank J. Pergolizzi  
Attorney/Agent for  
Dairyland Power Cooperative

Enclosures

cc: Thomas J. Zaremba, Esq.  
Douglas D. Peterson

SURFACE TRANSPORTATION BOARD  
WASHINGTON, D. C. 20423-0001

OFFICE OF THE SECRETARY

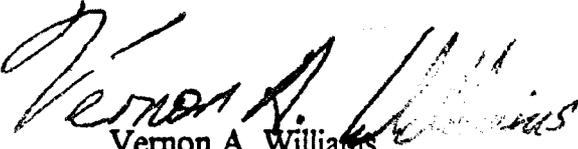
Frank J. Pergolizzi  
Slover & Lotus  
1224 Seventeenth Street, NW.  
Washington, DC., 20036

DATE: 7/22/97

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of 49 U.S.C. 11301 and 49 CFR 1177.3 (c), on 7/22/97 at 4:19PM, and assigned recordation number(s). 10769-B and 10769-C.

Sincerely Yours,

  
Vernon A. Williams  
Secretary

Enclosure(s)

\$ 48.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid. In the event of an error or any questions concerning this fee, you will receive a notification after the Surface Transportation Board has an opportunity to examine your document.

Signature



RECORDATION NO. 10769-B FILED

JUL 22 '97 4-19 PM

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**SUPPLEMENT  
to  
CONSOLIDATED MORTGAGE  
and  
SECURITY AGREEMENT**

**Made By And Among**

**DAIRYLAND POWER COOPERATIVE,**

**Mortgagor,**

**and**

**UNITED STATES OF AMERICA,**

**NATIONAL RURAL UTILITIES COOPERATIVE  
FINANCE CORPORATION,**

**and**

**FIRST TRUST OF NEW YORK, NATIONAL ASSOCIATION,**

**Mortgagees.**

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Return to  
Niles Berman  
25 W. Main Street, Suite 801  
Madison, WI 53703-3398

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**THIS INSTRUMENT GRANTS A SECURITY INTEREST IN A TRANSMITTING UTILITY,  
AND COVERS ALL PROPERTY OWNED BY THE MORTGAGOR.**

**THE ADDRESSES AND THE SIGNATURES OF THE PARTIES TO THIS INSTRUMENT  
ARE SET FORTH ON PAGES 8-11.**

**THIS INSTRUMENT WAS DRAFTED BY ATTORNEY NILES BERMAN, Wisconsin State Bar  
No. 1017082, 25 West Main St., Suite 801, Madison, WI 53703-3398.**

**NOTICE - The Mortgage supplemented by this instrument secures credit in the amount of up to 1  
billion dollars and advances up to this amount, together with interest, are senior to indebtedness to  
other creditors under subsequently recorded or filed mortgages or liens.**

Wisconsin 64 LA9, 10 & 11 LaCrosse

42

**SUPPLEMENT, dated as of July 1, 1997, to CONSOLIDATED MORTGAGE AND SECURITY AGREEMENT dated as of February 10, 1993, made by and among DAIRYLAND POWER COOPERATIVE (hereinafter called the "Mortgagor"), a corporation existing under the laws of the states of Wisconsin and Minnesota, UNITED STATES OF AMERICA (hereinafter called the "Government") acting through the Administrator of the Rural Utilities Service (hereinafter called the "RUS") as successor to the Rural Electrification Administration (hereinafter called the "REA"), NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION (hereinafter called "CFC"), a corporation existing under the laws of the District of Columbia, and FIRST TRUST OF NEW YORK, NATIONAL ASSOCIATION (hereinafter called the "Trustee") as successor trustee to Morgan Guaranty Trust Company of New York (the Government, CFC, and the Trustee being hereinafter sometimes collectively called the "Mortgagees").**

**WHEREAS, the Mortgagor, for value received, has heretofore duly authorized and executed and has delivered to the Government, or has assumed the payment of, the Outstanding REA Notes (as defined in the RUS Mortgage as hereinafter defined); and**

**WHEREAS, the Mortgagor, for value received, has heretofore duly authorized and executed and has delivered to CFC the Outstanding CFC Class A Notes and the Outstanding CFC Class B Notes (as defined in the RUS Mortgage); and**

**WHEREAS, the City of Alma, Wisconsin, has heretofore issued its National Rural Utilities Cooperative Finance Corporation Guaranteed Pollution Control Revenue Bonds (Dairyland Power Cooperative Project) Series 1978A and its Adjustable Pollution Control Refunding Revenue Demand Bonds, Series 1984 (Dairyland Power Cooperative Project), and the City of La Crosse has issued its Adjustable Industrial Development Refunding Revenue Demand Bonds Series 1984B (Dairyland Power Cooperative Project) (hereinafter collectively called the "Refunded Bonds"), the proceeds of which were loaned to the Mortgagor to finance the acquisition, construction, and installation of certain facilities located in the respective municipalities; and**

**WHEREAS, the Mortgagor has heretofore issued its notes to CFC (hereinafter called the "CFC Class A Notes"), to the City of Alma (hereinafter called the "Outstanding Alma Note") and to the City of La Crosse (hereinafter called the "Outstanding La Crosse Note"), to evidence its obligation to repay the proceeds of the Refunded Bonds, which notes have been assigned to the Trustee; and**

**WHEREAS**, the Outstanding REA Notes, the Outstanding CFC Class A Notes, the Outstanding CFC Class B Notes, the Outstanding Alma Note, and the Outstanding La Crosse Note are secured by the RUS Mortgage; and

**WHEREAS**, the RUS Mortgage contemplates that the Mortgagor may from time to time execute and deliver one or more other Notes (as hereinafter defined) to refund any Note or Notes outstanding and secured by the RUS Mortgage, which other Notes shall be secured by the RUS Mortgage; and

**WHEREAS**, Mortgagor has entered into, or is about to enter into, one or more Financing Agreements with the City of La Crosse, Wisconsin, under which the City of La Crosse will issue one or more series of bonds (hereinafter called the "1997 La Crosse Bonds" as hereinafter defined), the proceeds of which will be used to refund the Refunded Bonds; and

**WHEREAS**, in connection with the issuance of the 1997 La Crosse Bonds, and pursuant to the 1997 La Crosse Financing Agreement (as hereinafter defined), the Mortgagor has executed and delivered or will execute and deliver its note or notes payable to the order of the City of La Crosse (hereinafter called the "Current La Crosse Notes" as hereinafter defined), which have been or will be assigned to the Trustee pursuant to the 1997 La Crosse Bond Indenture (as hereinafter defined); and

**WHEREAS**, the 1997 La Crosse Bonds and the Current La Crosse Notes are being issued to refund and retire the CFC Class A Notes on July 23, 1997, the Outstanding Alma Note on July 23, 1997, and the Outstanding La Crosse Note on August 7, 1997 (those dates being hereinafter referred to as the respective "Refunding Dates"); and

**WHEREAS**, as of the respective Refunding Dates, the Outstanding CFC Class A Notes, the Outstanding Alma Note, and the Outstanding La Crosse Note will be canceled and will no longer be secured by the RUS Mortgage; and

**WHEREAS**, under the auspices and directives of the Federal Crop Insurance Reform and Department of Agriculture Act of 1994, Pub. L. 103-354, RUS succeeded and replaced REA with all authority, right and title of REA to so act herein; and

**WHEREAS**, pursuant to Section 906 of the Alma Bond Indenture (as defined in the RUS Mortgage) and Section 906 of the La Crosse Bond Indenture (as defined in the RUS Mortgage), respectively, the Trustee has succeeded and replaced Morgan Guaranty Trust Company of New York as the Alma Trustee and the La Crosse Trustee and as Mortgagee, with all authority, right and title to so act herein; and

**WHEREAS**, the Government, CFC, and the Trustee are authorized to amend and supplement the RUS Mortgage as provided herein; and

**WHEREAS**, all acts and conditions prescribed by law and by the articles of incorporation of the Mortgagor have been duly performed and complied with to authorize the execution and delivery of this instrument and to make this Supplement to Consolidated Mortgage and Security Agreement a valid and binding mortgage in accordance with its terms; and to the extent that any of the property described or referred to herein or in the underlying Consolidated Mortgage and Security Agreement is governed by the provisions of the Uniform Commercial Code of any state, the parties hereto desire that this Supplement to Consolidated Mortgage and Security Agreement be regarded as a "security agreement" and as a "financing statement" for said security agreement under the Uniform Commercial Code.

**NOW, THEREFORE**, this Supplement to Consolidated Mortgage and Security Agreement

**WITNESSETH:**

That the parties hereto do agree as follows:

1. All of the terms, provisions, and covenants of the RUS Mortgage as defined herein shall remain in full force and effect, subject only to the modifications expressly provided herein.

2. The parties confirm that from and after July 23, 1997, the Current La Crosse Notes, as defined herein, shall be deemed to be other Notes secured under the RUS Mortgage. From and after the respective Refunding Dates, the CFC Class A Notes, the Outstanding Alma Note, and the Outstanding La Crosse Note shall no longer be deemed to be Notes secured under the RUS Mortgage.

3. The parties confirm that from and after July 23, 1997, the Trustee shall have all the same rights, powers and duties as are conferred upon the Alma Trustee and the La Crosse Trustee under the RUS Mortgage prior to the respective Refunding Dates. The Alma Trustee and the La Crosse Trustee shall continue to hold these same rights, powers and duties along with the Trustee specified herein until the Outstanding Alma Note and the Outstanding La Crosse Note are refunded and canceled on July 23, 1997, and August 7, 1997, respectively. From and after August 7, 1997, the terms "Alma Trustee" and "La Crosse Trustee" in the RUS Mortgage shall be interpreted to mean only the Trustee specified herein or any successor trustee appointed pursuant to the terms of the 1997 La Crosse Bond Indenture (as defined herein).

4. The definitions set forth in Article I of the RUS Mortgage are modified as follows:

a. Current La Crosse Notes shall mean the note or notes more particularly described in Appendix A as modified herein, heretofore executed and delivered, or to be executed and delivered, by Mortgagor to the City of La Crosse, Wisconsin,

pursuant to the 1997 La Crosse Financing Agreement, and assigned to the Trustee pursuant to the 1997 La Crosse Bond Indenture.

b. 1997 La Crosse Bonds shall mean the City of La Crosse Adjustable Tender Pollution Control Refunding Revenue Bonds (Dairyland Power Cooperative Project) Series 1997A, the City of La Crosse Adjustable Tender Pollution Control Refunding Revenue Bonds (Dairyland Power Cooperative Project) Series 1997B, and the City of La Crosse Adjustable Tender Industrial Development Refunding Revenue Bonds (Dairyland Power Cooperative Project) Series 1997C, issued for the purpose of refunding the Refunded Bonds.

c. 1997 La Crosse Bond Indenture shall mean the Indenture of Trust dated as of July 1, 1997, by and between the City of La Crosse, Wisconsin, and the Trustee, providing for the issuance of the 1997 La Crosse Bonds.

d. 1997 La Crosse Financing Agreement shall mean the Financing Agreement dated as of July 1, 1997, by and between the City of La Crosse, Wisconsin, and the Mortgagor.

e. Note or Notes shall mean one or more of the CFC Class A Notes, the CFC Class B Notes, the Current La Crosse Notes, the Outstanding Alma Note, the Outstanding La Crosse Note, the REA Notes, and any other notes which may, from time to time, be secured under this Mortgage. From and after July 23, 1997, the CFC Class A Notes and the Outstanding Alma Note shall be deleted from this definition. From and after August 7, 1997, the Outstanding La Crosse Note shall be deleted from this definition. Thereafter, Note or Notes shall mean one or more of the CFC Class B Notes, the Current La Crosse Notes, the REA Notes, and any other notes which may, from time to time, be secured under this Mortgage.

f. RUS Mortgage shall mean the REA Mortgage as defined in the Consolidated Mortgage and Security Agreement dated as of February 10, 1993, made by and among Mortgagor, the Government, CFC, and the Trustee, as supplemented herein and as the same may be further supplemented or consolidated as permitted hereunder.

5. Section 4.15 of the RUS Mortgage is hereby amended by deleting in its entirety sub. (b) thereof ("Annual Debt Service Coverage Ratio").

6. Article VII of the RUS Mortgage is hereby amended by adding as Section 7.055 the following:

SECTION 7.055. Consent of the Trustee Not Required for Certain Forms of Substitution for Mortgage. Notwithstanding anything contained herein to the contrary, the consent of the Trustee shall not be required to waive, amend,

supplement or consolidate the RUS Mortgage or any provision hereof or to substitute as a replacement for this Mortgage an alternate mortgage, deed to secure debt, deed of trust, trust indenture or other security instrument (the "New Mortgage"), provided the New Mortgage: (i) secures equally and ratably the payment of the principal of and interest on such of the Notes immediately theretofore secured under this RUS Mortgage as are to remain outstanding, including the Current La Crosse Notes, and (ii) creates a lien on substantially all of the real and tangible personal property of the Mortgagor then subject to the RUS Mortgage, which property shall then be subject to no prior lien for borrowed money except for prior liens permitted by this RUS Mortgage and existing on the date the New Mortgage becomes effective and such prior liens arising thereafter as shall be permitted by the New Mortgage.

From time to time upon written request of the Mortgagor, the Trustee will execute, acknowledge and deliver all such waivers, amendments, supplements, consolidations or substitute mortgages, deeds to secure debt, deeds of trust, trust indentures or other similar security instruments as to which the consent of the Trustee is not required as provided in this section.

7. Appendix A is modified as follows:

a. From and after July 23, 1997, section C thereof ("Outstanding CFC Class A Notes") is deleted in its entirety.

b. From and after July 23, 1997, section E thereof ("Outstanding Alma Note") is deleted in its entirety.

c. From and after August 7, 1997, section F thereof ("Outstanding La Crosse Note") is deleted in its entirety.

d. From and after July 23, 1997, a new section C thereof is added to read as follows:

C. Current La Crosse Notes:

<u>Note Designation</u>	<u>Note Date</u>	<u>Principal Amount Not To Exceed</u>	<u>Final Payment Date</u>
Series 1997A	July 23, 1997	\$ 7,550,000	September 1, 2014
Series 1997B	July 23, 1997	\$12,315,000	February 1, 2015
Series 1997C	August 7, 1997	\$ 3,825,000	February 1, 2015

8. To the extent required for recording, the attached schedule sets forth the legal descriptions of those portions of the Mortgaged Property located in the county in which this instrument is being recorded. The schedule is attached for the exclusive purpose of

conforming to recording requirements. It is not intended and shall not be interpreted to limit in any manner the scope of Mortgaged Property defined in the RUS Mortgage, which secures the Notes.

**IN WITNESS WHEREOF, DAIRYLAND POWER COOPERATIVE, La Crosse, Wisconsin, as Mortgagor, has caused this Supplement to Consolidated Mortgage and Security Agreement to be signed in its name and its corporate seal to be hereunto affixed and attested by its officers thereunto duly authorized, UNITED STATES OF AMERICA, as Mortgagee, has caused this Supplement to Consolidated Mortgage and Security Agreement to be duly executed in its behalf, NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION, as Mortgagee, has caused this Supplement to Consolidated Mortgage and Security Agreement to be signed in its name and its corporate seal to be hereunto affixed and attested by its officers thereunto duly authorized, and FIRST TRUST OF NEW YORK, NATIONAL ASSOCIATION, in its capacity as the Alma Trustee, the La Crosse Trustee, and the Trustee hereunder, as Mortgagee, has caused this Supplement to Consolidated Mortgage and Security Agreement to be signed in its name and its corporate seal to be hereunto affixed and attested by its officers thereunto duly authorized, all as of the day and year first above written.**



UNITED STATES OF AMERICA  
12th and Independence Avenue, S.W.  
South Building  
Washington, D.C. 20250-1400

by Wally Beyer

Executed by United States of America,  
Mortgagee, in the presence of:

[Signature]  
[Signature]  
Witnesses

DISTRICT OF COLUMBIA ) SS

On this 21 day of July, 1997, personally appeared before me  
WALLY BEYER, who, being by me duly sworn, did say that ~~(s)~~he is the  
Administrator of the Rural Utilities Service, an agency of the United States  
of America, and acknowledged to me that, acting under a delegation of authority duly given  
and evidenced by law and presently in effect, ~~(s)~~he executed said instrument as the act and  
deed of United States of America for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF I have heretofore set my hand and official seal the day  
and year last above written.

James F. Mothershed  
Notary Public

(Notarial Seal)

JAMES F. MOTHERSHED

My commission expires: 4-30-99

NATIONAL RURAL UTILITIES  
COOPERATIVE FINANCE CORPORATION  
Woodland Park  
2201 Cooperative Way  
Herndon, VA 22071-3025

by *Deborah Dull*

ASSISTANT SECRETARY TREASURER  
DEBORAH DULL

(SEAL)

Attest *Katherine Buhl*

**Katherine Buhl** Title: **ASSISTANT SECRETARY TREASURER**

Executed by National Rural Utilities  
Cooperative Finance Corporation, Mortgagee,  
in the presence of:

*Robert D. Stephens*  
*Elizabeth S. Aguirre*  
Witnesses

ROBERT D. STEPHENS

ELIZABETH S. AGUIRRE

COMMONWEALTH OF VIRGINIA ) SS

On this 17th day of July, 1997, before me appeared **DEBORAH DULL** and ~~Katherine Buhl~~, personally known, who, being by me duly sworn, did say that they are respectively the Asst. Sec.-Treas. and Asst. Sec.-Treas. of the National Rural Utilities Cooperative Finance Corporation, a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of a duly adopted resolution of its board of directors as its voluntary act and deed, and they acknowledged to me that said corporation executed the same.

IN WITNESS WHEREOF I have heretofore set my hand and official seal the day and year last above written.

*Carmen D. Bennett*  
CARMEN D. BENNETT Notary Public

(Notarial Seal)

My commission expires: 1/31/99



**SCHEDULE OF LEGAL DESCRIPTIONS FOR RECORDING**

None